FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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WORLD NEWS

Spanish air controllers strike off

Air traffic controllers at Barcelona's El Prat airport called off a 24-hour strike scheduled to begin this morning.

The move came after Spanish authorities agreed to give the 140 controllers back-pay for special services. Holidaymakers may still face delays because Britain's air traffic control computer engineers have started an overtime ban and work-to-rule.

Police launch hunt for IRA unit

Police in Britain are hunting an IRA unit and have begun a large security operation for next month's Tory party conference in Blackpool.

Fears of a terrorist attack have intensified since the arrest of three people in connection with incidents at the Wiltshire home of Ulster Secretary Tom King. The Home Office has granted a 48-hour extension in the detention of the three who must be charged or released on Sunday.

Arrests in S Korea

South Korean police arrested more than 350 workers accused of taking part in violent strikes at occupied plants at Ulsan and Pupyong, near Seoul. Page 3

Portuguese rail collision

Two passenger trains crashed in the Algarve region of southern Portugal killing five people and injuring 29 others.

Battles in Lebanon

Six people were killed and 21 wounded in fighting between members of Lebanon's Syrian Nationalist Social Party in battles in villages in north Lebanon.

21 die in bus crash

A packed bus plunged off a mountain highway into a deep valley in a suburb of Taipei in Taiwan, killing 21 people and injuring 21.

Electricians sign deal

The electricians' union has signed a new strike-free, single-union deal in south Wales in spite of an informal TUC pact to limit such agreements. Page 5

Soldiers charged

Four Scottish soldiers and two ex-soldiers have been charged in connection with an alleged series of assaults and indecent committed assaults in Colchester in February.

50 UN staff 'missing'

Some 50 United Nations staff are detained, imprisoned or reported missing and some have even died in detention, said a UN human rights report. Most of the cases have occurred since 1984.

Scargill rejects code

Arthur Scargill, president of the National Union of Mineworkers, rejected British Coal's amendment to its disciplinary code, increasing the likelihood that the union's executive will back industrial action. Page 8

Actress fined

Actress Maria Aitken, sister of Tory MP Jonathan Aitken, was fined £500 in London for smuggling cocaine into Britain.

Blast in Belgium

One woman died and four other people were missing after an explosion demolished part of an apartment block in the Belgian city of Ghent.

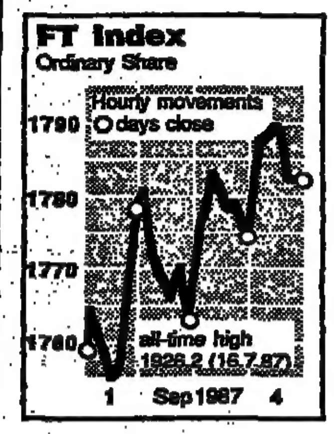
BUSINESS SUMMARY

Guinness Mahon plan dropped

GUINNESS PEAT GROUP has abandoned a controversial multi-million pound plan to buy in a management team to run its merchant banking subsidiary, Guinness Mahon.

The deal has been the subject of a war of words between GPG and Equiticorp, the New Zealand banking and investment group, which launched a 110p-a-share bid, valuing the UK company at £338m. Back Page

A SERIES of worldwide takeover moves followed by a rise in the US Federal Reserve discount rate gave UK markets plenty to consider. The FT Ordinary index rose 7.6 to 1,782.1 and the FT-SE 100 index was up 6.8 at 2,274.9. Markets, Page 12



MANAGERS OF Consolidated Gold Fields, the UK mining, finance and aggregates group, and US-based Newmont Mining—the target for a $6bn (£3.66m) bid from Texan oilman, Mr T. Boone Pickens, and in which ConsGold holds a 26 per cent stake—are due to meet this weekend at Gleneagles, Scotland. ConsGold says the "technical seminar" is unrelated to the bid.

REG WARD, chief executive of the London Docklands Development Corporation since its creation in 1981, is to step down at the end of the year. Mr Ward has been closely involved with the Docklands Light Railway, the redevelopment of Canary Wharf and the planned London City Airport.

BLUE CIRCLE Industries, the UK cement company, reported pre-tax profits up 40 per cent to £59.7m in spite of a price war in the US that hit profits of Williams Bros, its Atlanta subsidiary. Page 3; Lex, Back Page

ALAN BOND, the Australian brewing magnate, has submitted a $1.2bn (£725m) takeover offer for G. Heileman of Wisconsin, the fourth-largest beer maker in the US. Back Page

MACARTHY, pharmaceutical wholesaler and retailer, is to double its size with the acquisition for £42.6m of the Drummond Pharmacy Group from drinks group Guinness, which is disposing of its non-core activities. Page 3

NEC, the electronics concern, is to be the first Japanese company to make cellular mobile telephones in Britain. Back Page

SCOTTISH NATIONAL Investment Trust, part of the Gartmore stable, is to undertake an innovative restructuring in order to take pre-emptive action against potential predators. Back Page

DE BEERS Central Selling Organisation is to raise the price of rough uncut diamonds by 10 per cent from next month because of the buoyant market for gem diamonds. Page 2

Discount rate raised as US reacts over inflationary pressure

BY LIONEL BARBER IN WASHINGTON AND PHILIP STEPHENS IN LONDON

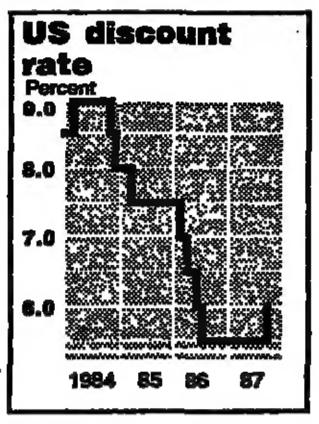
THE Federal Reserve, citing concern about inflationary pressures in the US economy, yesterday raised its key discount rate to 6 per cent from 5.5 per cent, effective immediately.

The rise in the discount rate—the first since April 1984—ended a series of steady declines and came amid renewed downward pressure on the value of the dollar. Major US banks, following suit, raised their prime lending rate from 8.25 per cent to 8.75 per cent.

A brief Fed statement said: "The decision reflects the *intent of the Federal Reserve* to deal effectively and in a timely way with potential inflationary pressures."

Analysts noted that the specific language appeared to be aimed at reassuring financial markets that the new Fed chairman, Dr Alan Greenspan, would be as determined an inflation fighter as his predecessor, Mr Paul Volcker.

The absence of any mention of the dollar reinforced their view that US policy-makers believe the dollar may have to fall further to turn round the record US trade deficit.



Financial markets had expected a Fed discount rate increase for more than a week. After an initial upsurge in the dollar against the West German mark and Japanese yen yesterday the markets started to discount the Fed move and the dollar ended with little change on Thursday's levels.

The Fed's timing—on the eve of the long Labor Day weekend—appeared to be linked to US employment figures which showed a worrying build up in wage inflation in August, coming on top of consumer price rises running at 5.5 per cent for the first six months of this year.

The Fed's 4-0 vote is the first major public action taken by Dr Greenspan since he took over from Mr Volcker last month. It is the first change in the discount rate since last August and involved the minimum number for a quorum. Two members, Mr Robert Heller and Mrs Martha Seger were on holiday.

Last May, Mrs Seager was the sole dissenting voice on a 10-1 vote by the Fed and the Federal Open Market Committee which hinted at a discount rate change in the light of inflationary pressures.

The economic outlook has improved since May, reflected by stronger growth and a fall in the civilian employment rate to 6 per cent. Higher energy prices coupled with a weaker dollar have in turn raised fears about a resurgence in US inflation.

Last month, the Administra-

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Half a point may not save the dollar, Page 7; Currencies, Page 12; Lex, Back Page

Ladbroke acquires Hilton International for $1.07bn

BY CLAY HARRIS

LADBROKE Group yesterday moved into the top echelon of world hotel companies by agreeing to pay $1.07bn (£645m) for Hilton International.

The British betting, hotels, property and retailing group won Hilton after a take-it-or-leave-it offer to Allegis Corporation of the US, which had owned the chain for less than six months.

Ladbroke also launched a £254m rights issue, its second large cash call on shareholders within six months. It will fund the rest of the Hilton purchase with bank borrowings and with sales of non-core assets. Hotels are expected to account for £40m of the estimated £200m Ldbroke will seek from disposals.

Mr Cyril Stein, Ladbroke chairman, said in New York after a lengthy negotiating session: "To have secured Hilton at a reasonable price is a great coup for Ladbroke." His judgment was echoed by competitors and on the London stock market, where Ladbroke shares added 2p to 441p despite the rights issue.

Hilton's 91 hotels, including those owned and managed, will bring Ladbroke a total of 35,000 rooms in 44 countries. As a result Ladbroke will operate a total of 50,000 rooms, including those under development.

Ladbroke will put the Hilton name on many of its existing hotels. Below the top-flight properties, it will create a Hilton Inn chain to expand in *regional commercial centres* around the world. Some hotels will continue to carry the Ladbroke name.

The new owner plans to reduce Hilton's traditional emphasis on US tourism, a reliance which in 1986 contributed to a 21 per cent fall in pre-tax profits to $47.6m. It will continue its strategy of concentrating on the growing international business and conference market.

Hilton, part of the TWA empire for more than 20 years, is the second leading luxury hotel chain to move from a US airline to British ownership. In 1981 Pan Am sold the Inter-Continental chain to Grand Metropolitan for $500m.

The International chain was spun off from Hilton Hotels Corporation in 1964 and has no connection with the domestic US group, apart from joint ownership of a reservation system.

The winning bid was almost exactly equal in sterling terms to Ladbroke's unsuccessful $850m offer for Hilton late last year. KLM, the Dutch airline, won the first auction held by TransWorld — former parent of TWA and the hotel chain's owner at the time — with a $975m bid, but had the purchase blocked by its own supervisory board.

United Airlines stepped in with a $980m offer but its own problems forced the group—by then renamed Allegis—to put Hilton back on the block in June, only two months after completing the purchase.

Ladbroke warned Allegis that it would withdraw from the bidding if its offer was not accepted on Thursday. In return it offered the certainty that the deal would not come unstuck the way the KLM agreement had.

Ladbroke's one-for-five rights issue at 378p is underwritten by Charterhouse Bank, its merchant bank. It follows a three-for-ten issue at 375p, which raised £294m in April for development of the group's four core businesses.

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Brierley announces £367m hostile bid for Equity & Law

BY TERRY POVEY

IN THE first hostile takeover bid for a UK life assurance company for two decades, Brierley Investments, the New Zealand investment *holding* group run by Mr Ron Brierley, yesterday launched an offer valuing Equity and Law at £367m.

"This offer is wholly unwelcome and completely fails to recognise the value of Equity & Law," said Mr Chris Brocksom, its chief executive officer. It would be strongly *resisted* because "it is not in the interest of either shareholders or policyholders."

Mr Brierley is convinced the bid will succeed. His group's earlier contested offers—£260m for Ocean Transport and Trading last autumn and £95m for Molins in July — failed because of institutional opposition.

He said: "We begin this bid with a sizeable stake — 29.6 per cent — and have been the only major buyers of this stock for the last 18 months." There are no other large shareholdings in Equity & Law, which ranks 20th in size among UK life companies.

The core of the Brierley 365p-a-share cash offer to Equity's shareholders is that the life company has a dull investment record and concerns itself more with returns to policyholders than to shareholders.

Mr Brocksom denies these allegations. "Our dividend growth has averaged 22 per cent a year in the last decade, one *of the highest among the* life offices, and we achieved a 20 per cent return on our main fund last year."

Life companies are tightly regulated as to how much they can pay out in profits, the split between returns to shareholders and policyholders, reserve requirements and even the appointment of the chief actuary who monitors a company's ability to meet long-term obligations under its policies.

One aspect of this regulatory minefield — which Mr Brierley believes is a "nuisance but not an obstacle" — is the need for the bidder to obtain Department of Trade and Industry clearance for a stake in excess of 33 per cent.

Processing of applications could take up to three months. This could inhibit the Brierley group's takeover timetable because its request for clearance has not yet been submitted.

The attractions of Equity to the Brierley group are primarily the £3.5bn of policyholders' funds invested in a mixture of gilts, bonds, property and shares. Mr Brierley believes the return on this portfolio could be considerably improved and Equity's overhead costs significantly reduced.

Mr Brocksom said that while there were limits to what could be done with these funds there was some scope for a more aggressive approach. He added: "We don't believe that life companies should adopt a high-risk investment policy because of our responsibilities to policyholders."

Background, Page 4; Lex, Back Page

UN chief to visit Iran and Iraq on peace mission

BY ANDREW GOWERS IN LONDON AND ALAN FRIEDMAN IN MILAN

THE UNITED Nations Security Council yesterday agreed to send Mr Javier Perez de Cueller, UN Secretary-General, to Iran and Iraq as soon as possible in what may prove to be a final diplomatic effort to secure a ceasefire in the seven-year-old Gulf war. It ordered both countries to cease all hostitities during the mission.

Mr Perez de Cuellar is expected to go to Tehran in the second half of next week, travel on to Baghdad and return to New York on September 16 or 17. However, the Security Council has set tough conditions for his visit.

He is empowered only to secure compliance with an earlier council resolution ordering a ceasefire and not to negotiate on aspects of it, as the Iranians had been hoping. Although Ira qhas said it will accept this resolution if Iran will, Tehran is still thought unlikely to endorse it in full, though Mr Perez de Cuellar said Iran had agreed to discuss it.

If Iran finally rejects the resolution, the US is likely to press the Security Council to adopt a mandatory ban on arms sales to Iran. The US State Department said yesterday that it was sending a senior diplomat to discuss the Gulf with Soviet officials.

In the Gulf yesterday there was a sudden lull in attacks on shipping, which had reached an unprecedented degree of ferocity earlier in the week after Iraq had resumed the tanker war last Saturday. The lull reflected the UN call for a temporary truce.

However, Kuwait, which has repeatedly been threatened by Iran, said an unidentified long-range missile had landed on its coast early in the day in what was believed to have been the first incident of its kind. No damage or injuries were reported.

Meanwhile, Italy said it would send a naval task force to the Gulf to protect Italian shiping, increasing the number of foreign warships in the already crowded waterway.

The decision to despatch the task force marked a significant shift in Italy's policy over the Gulf and is the first occasion Italian forces have been deployed outside the Nato area since disbandment of the ill-fated Multinational Force in Lebanon in 1984.

The announcement of what Mr Valerio Zanone, Defence Minister, called a defensive initiative came a day after what was presumed to be an Iranian patrol boat had fired rocket-propelled grenades at the Jolly Rubino, an Italian container ship.

In the Hague, Mr Ruud Lubbers, the Dutch Prime Minister, said the Dutch navy was "intensifying its efforts to solve the logistical problems" involved in sending two mine-

Continued on Back Page

Russians sentence Rust to four years in labour camp

BY PATRICK COCKBURN IN MOSCOW

THE Soviet Supreme Court yesterday sentenced Mr Mathias Rust, a 19-year-old West German pilot, to four years in a labour camp.

Mr Rust landed his light aircraft in Red Square, Moscow, in May resulting in a shake-up of the Soviet armed forces.

The judge rejected Mr Rust's claim that he had flown to Moscow on a peace mission to see Mr Mikhail Gorbachev, the Soviet leader, and said the aim of the flight was "to seek publicity."

Earlier in the three-day trial Mr Rust pleaded guilty to charges of illegal entry into the Soviet Union and violating international flight rules but denied malicious hooliganism.

He showed no emotion as the sentence was read out and his parents looked pleased, presumably because his four-year sentence in an ordinary regime camp is half the eight years in a strict regime labour camp demanded by the prosecution. Soviet courts traditionally

Western diplomats in Moscow expect that Mr Rust will not serve his full term in a camp but will be released either through amnesty or pardon.

Mr Rust's unimpeded Cessna flight on May 28 from Helsinki to St Basil's Cathedral, 100 yards from the red-brick wall of the Kremlin, provided the excuse for a clampdown on the military by Mr Gorbachev. The Kremlin was therefore bound to take a serious view of the incident.

Marshal Sergei Sokolov, the

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WEEKEND FT

GENETICS

Developments in biotechnology are threatening to turn the EC's Common Agriculture Policy from farce to tragedy, reports Giles Merritt.
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MARKETS

DOLLAR

New York lunchtime:
DM 1.7970
FFr 6.0145
SFr 1.4885
Y141.90

London:
DM 1.7950 (1.7935)
FFr 6.0075 (6.0025)
SFr 1.4870 (1.4835)
Y141.70 (141.0)

Dollar index 100.3 (100.2)
Tokyo close Y141.45

US LUNCHTIME RATES

Fed Funds 7%
3-month Treasury Bills: yield: 6.49%
Long Bond: 94⅛ yield: 9.46%

GOLD

New York: Comex Dec latest $472
London: $465.25

STERLING

New York lunchtime: $1.6535
London: $1.6540 (1.6580)
DM 2.9725 (same)
FFr 9.9375 (9.9525)
SFr 2.46 (same)
Y234.50 (233.75)
Sterling index 73.0 (73.1)

LONDON MONEY

3-month interbank: closing rate 10½ (10⅛)

NORTH SEA OIL

Brent 15-day Sept (Argus) $18.175 (18.15)

STOCK INDICES

FT Ord 1,782.1 (+7.6)
FT-A All Share 1,161.14 (+0.4%)
FT-SE 100 2,274.9 (+6.8)
FT-A long gilt yield index: High coupon 9.90 (9.57)
New York lunchtime: DJ Ind Av 2,586.58 (−12.91)
Tokyo: Nikkei 25,744.03 (+94.15)

Chief price changes yesterday: Back Page

Austria Sch 22; Bahrain Din 0.650; Belgium BFr 48; Canada C$1.00; Cyprus C£0.75; Denmark DKr 9.00; Egypt E£2.25; Finland Fmk 7.00; France FFr 6.50; Germany DM 2.20; Greece Dr 100; Hong Kong HK$12; India Rup 15; Indonesia Rp 3,100; Israel NS 3.50; Italy L1,600; Japan Y600; Jordan Fils 500; Kuwait Fils 500; Lebanon £1,100; Luxembourg LFr 48; Malaysia Rin 4.25; Mexico Pes 300; Morocco Dh 6.00; Netherlands Fl 3.00; Norway NKr 7.00; Philippines Pes 20; Portugal Esc 100; S Arabia Rls 6.0; Singapore S$4.10; Spain Pta 125; Sri Lanka Rup 30; Sweden SKr 8.00; Switzerland SFr 220; Taiwan NT$65; Tunisia Din 0.800; Turkey L500; UAE Dh 6.50; USA $1.00; Bermuda $1.50.

SELLING PRICE IN IRELAND 60p

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Pretoria's tough AIDS curbs will affect thousands

BY ANTHONY ROBINSON IN JOHANNESBURG

MORE THAN 1m foreign workers, including more than 200,000 black miners, who work legally in South Africa and hundreds of thousands more who work there illegally will be covered by aid regulations to be introduced in South Africa soon.

Foreign victims or carriers of the aids virus will be expatriated from South Africa under the regulations which also provide for the compulsory isolation of affected nationals.

Mr Willie van Niekerk, Minister of Health and Population Development, announced the regulations in parliament. They are a response to the rapid spread of the disease in many African countries including those from which most of South Africa's foreign labour force is recruited.

The mining industry recently introduced aids screening and 1,093 black miners, mainly from Malawi, were found to be either aids sufferers or carriers. The mining industry, with its large concentrations of workers in single-sex hostels, has been quick to recognise the dangers and set up counselling services for those affected.

In future all workers recruited in central African countries will be aids tested before they are allowed to enter South Africa.

The regulations have been strongly criticised by the trade unions. Mr Piroshaw Camay, general secretary of the black consciousness orientated National Council of Trade Unions, said: "The Government has a responsibility to give medical treatment to affected people, not send them back to countries which have no facilities."

Mr van Niekerk told parliament that South Africa had offered to help Malawi to combat the spread of disease.

Coup unlikely to end racism in Burundi

BY A SPECIAL CORRESPONDENT

THE OVERTHROW of President Jean-Baptiste Bagaza by army officers on Thursday in Budumbura is unlikely to ease the plight of the Hutu ethnic majority in Burundi, black Africa's only racist state.

A system akin to apartheid has kept the Tutsi minority — roughly 14 per cent of the tiny mountainous country's five million people — in power since independence from Belgium in 1962.

Burundi's new leader, Major Pierre Buyoya, is also a Tutsi though reportedly not particularly well liked by his peers. He is said to be about 37 years old and to have attended military high school in Belgium. He is unlikely to adopt radical reforms in favour of majority rule for fear of losing backing from Burundi's army, which is said to be 12,000 strong, and almost exclusively Tutsi.

The coup is probably the result of infighting among the Tutsi elite. Bagaza and three of his closest colleagues, the interior minister, the education minister, and the secretary general of national security, were largely held responsible for increasing repression used to deter Hutu from attending secondary schools.

The Bagaza regime had over a number of years expelled about 200 foreign missionaries, mostly Roman Catholic. This was perceived as an attempt to run down rural services such as hospitals and schools, that used to benefit Tutsi peasants.

In neighbouring Rwanda yesterday it was announced that Rwandan president Juvenal Habyrimana had turned down a request from Mr Bagaza to come to Rwanda. Mr Bagaza is in the Kenyan capital, Nairobi.

The situation at the main Rwanda/Barundi border was quiet yesterday, with none of the unsual heavy traffic on this vital trade route, Burundi's lifeline to the Kenyan port of Mombasa.

A Rwandan official said that they had spent the whole night scouring the border through hilly terrain for Burundian refugees but had found none. Beyond the bridge, two military Land Rovers were visible but apparently there were only five soldiers at the Burundian custom post, which was closed.

Only a trickle of peasant women and young men were permitted by Burundi soldiers to cross the bridge. They said that the atmosphere in the hills was calm but that soldiers had laid barriers across mountain paths and main roads and were turning back all civilian traffic.

Canada to increase aid to Francophone Africa

BY ROBERT GIBBENS IN MONTREAL

CANADA HAS pledged a further C$20m (£9.3m) in special aid to Francophone Africa, with emphasis on the drought-stricken countries of the Sahel belt stretching from Niger almost to the Sudan.

The aid is shaped to help these countries improve agriculture, education and communications, and Hydro-Quebec, Canada's largest power utility, will provide expertise in the energy field.

The Federal Government announced the new programme at the second Francophone Summit in Quebec city, attended by delegations from 37 Francophone countries in all. The programme is in addition to existing grants and is designed to help Francophone Africa develop infrastructure. The programme was developed to meet needs outlined at the first summit in Paris in February 1986. The Sahel countries are in desperate need of agricultural know-how because of drought and the encroaching desert.

Canada's educational aid is geared to improving public administration in Francophone Africa.

Canada will write off nearly C$700m in debts owed by French and English-speaking African countries, putting all its regular aid programme on a direct grant basis.

De Beers raises gem diamond prices

By David Blackwell

A BUOYANT world market for gem diamonds, in particular in Japan, has prompted De Beers Central Selling Organisation to raise the price of rough (uncut) stones by 10 per cent from next month.

Japanese imports have risen by 60 per cent so far this year in terms of the US dollar — the currency in which all diamonds are traded. In terms of the yen, imports are ahead 34 per cent.

"The strength of the yen has made diamonds far more affordable to the Japanese consumer," said a spokesman for the London-based CSO, which handles more than 80 per cent of the world's diamond sales. "The market there is really motoring."

The Japanese are buying a wider range of large, good quality stones of 1½ carats and above. At current prices a top quality one carat stone fetches between $13,500 and $15,000.

The price rise is to be implemented at the next CSO sale, known as a "sight", on October 5. It will not apply to boart diamonds, which are crushed for use in industry, or to drilling diamonds.

Last year, the CSO raised prices twice, by 7.5 per cent in April and 7 per cent in November. Before that, there was a 3.5 per cent increase in early 1983 when the diamond industry was in the worst recession since the 1930s.

In the first half of this year the organisation sold $1.56bn worth of diamonds, compared to $1.21bn in the first half of 1986. In a normal year first half sales exceed those of the second half as retailers restock after the Christmas period. But the buoyancy of the market this year leads the CSO to expect its second half sales to equal the first half.

Japan's trade surplus set to fall by $18bn

JAPAN'S trade surplus will fall by about $18bn in the 1987/88 fiscal year ending March 31, the Ministry of International Trade and Industry forecast yesterday, Reuter reports from Tokyo. In 1986/87 Japan had a global surplus of $101.6bn.

The ministry said imports were expected to increase by about $25bn and exports were to grow by $7bn.

No reason was given for the forecast, but private economists have said the strong yen has reduced the price of imports. Higher oil prices also reduced the surplus.

Japan said it had tightened controls on exports of technology to communist countries to help prevent a recurrence of the recent Toshiba Machine scandal. Japanese business circles immediately welcomed the bill, but securities analysts said the changes may not be enough to head off anger in the US Congress over the Toshiba Corporation's subsidiary's illegal sale of technology to Moscow.

Parliament approved a bill which raises prison sentences for export violations to five from three years and gives the Foreign Ministry a role in vetting applications for the export of high technology goods to Communist countries.

Roger Matthews reports from Manila on the swelling tide of newspaper opinion

Philippine press takes coup attempt to heart

NOTHING STIRS the journalistic juices quite so vigorously as a military coup especially in a country such as the Philippines which has only fairly recently rediscovered press freedom.

The professional joy of Manila's daily newspapers — 23 at the last count — has been unconfirmed as under their Page One slogans of "Balanced News Fearless Views", "That we may have life, and have it more abundantly" and "The truth shall prevail" they have reported, dissected and embellished every last drop of fact, rumour and gossip.

No-one has done it better than the ubiquitous columnists who hoard unto themselves the right to dispence the most scurrillous accusatory and provocative item. For those with little to do between breakfast and lunch, a small selection could include: "Straight from the shoulder", "From a distance", "The bookmaker", "Make my day", "Chaff from the grain", "United Notions", "From all corners", "View from the wing" and "Jaywalker".

Often they write about exactly the same topic, even within the same newspaper. However, it is the way they do it that counts. Thus one columnist has it in for individual advisers of President Corazon Aquino. To press his point he will refer to them in quick succession as "Boca Grandes" (Big Mouths), the ill-advisors or the Con-you Consejeros. Certainly they appear to have been behaving very badly; telling the army how to win a war, hiding facts from the President and getting their relatives appointed to plum jobs which carry fat salaries.

No one, it seems, can resist getting in on the act. The lady who writes the column "Women in Motoring" began yesterday: "I cannot help from digressing from motoring and instead convey my modest thoughts about the abortive coup." These thoughts included hoping that the Government could solve the country's problems, and urging the citizens to stay calm.

Her colleague, the television critic, was also afflicted, but in this case it was by the dashing figure of Col Gregorio "Gringo" Honasan, the coup leader, who she admitted was really rather attractive. "Yes," she wrote, "'Gringo' made by day. I sat there watching television and found myself sympathising with him. He has a valid case and I'm sure he didn't mean to kill any civilians."

Elsewhere other newspapers have been doing their bit to rehabilitate "Gringo" even as the Government throws additional troops into the search for him amid fears that he may be about to mount another assault on the capital. His wife, Jane, was on many front pages yesterday morning with her open letter to Gen Fidel Ramos, the Chief of Staff, winning extensive coverage.

Jane, mother of four who calls her husband "Greg" rather than "Gringo" is outraged that Gen Ramos should have described her husband as "a coward, liar, ruthless and inhuman." She knows that deep in his heart, General Ramos does not mean that and such utterances could only have been made because the Chief of Staff was rather upset at the time of the attempted coup.

After all that Greg has been through in defence both of his country and Mrs Aquino, Jane never dreamed for a moment that the greatest threat to his life would come from Gen Ramos and his brother officers. The shoot-to-kill order was quite inhuman, she declared.

"My husband has no intention of hurting anyone," she writes of the man who first attracted media attention because of his penchant for parachuting from helicopters with a pet python round his neck. "I will forever be proud to be the wife of Col Gregorio B. Honasan." In an accompanying article a friend of Jane's opines that Greg could not have a better bunkmate.

But there are also other meaty matters requiring attention not least the troublesome matter of servicing the country's $28.5bn foreign debt. Cast around the columnists and the answers are on hand, ranging from the most simplistic ("don't pay") to one which should cheer up President Reagan on a wet day in Washington. The latest published wheeze, is to renegotiate the agreement for the two massive military bases the US maintains in the Philippines. The annual rent would be fixed at about $2bn and, bingo, there's your debt servicing problem resolved.

But if the pressure has been intense on the writers this week, spare a thought for those who produce the headlines. Second prize, for the under-stated headline goes to "Beheaded Moslem leader provoked assailants." The undisputed winner, works for Panay News, the paper of the island of Antique. Faced with a story about a broadcaster on a local radio station, who killed a man, he came up with "Antique broadcaster kills man alive."

POLICE yesterday arrested the brother of the Philippines mutiny leader, Colonel Gregorio "Gringo" Honasan, AP reports from Manila.

Colonel Celso Francisco, chief of police in suburban Marakina, said officers were preparing illegal weapons charges against Mr Don Honasan.

Col Francisco said a search of Mr Honasan's home turned up a .45-calibre pistol, a .357-calibre Magnum handgun and assorted rifles.

Gregoria Honasan (right) led last week's coup attempt against President Corazon Aquino.

Troops and police have searched Manila and surrounding provinces for the past week but have failed to find the colonel, who once served as security chief for former Defence Minister Juan Ponce Enrile.

US services employment rises

BY NANCY DUNNE IN WASHINGTON

US EMPLOYMENT in services sectors expanded last month along with the labour force, as the nation's unemployment rate held steady at 6 per cent, the US Labour Department reported yesterday.

Meanwhile, a second report, released by the US Census Bureau, found the earning gap between American men and women has narrowed significantly during the past seven years. However, the average paycheque for full-time women workers is just 70 per cent of that earned by men.

In the Labour Department report, the monthly survey of households estimated 113.08m Americans to be holding jobs, up 355,000 from July. The number believed to be unemployed dropped by 3,000 to 7.22m.

Dr Janet Norwood, commissioner of the Bureau of Labour Statistics, said yesterday that virtually all the increase in the jobs survey taken during August was in the service-producing sector.

"Employment in the services industry rose by 90,000 with strong growth in both business and health services," she said. "The number of factory jobs, which had increased by 90,000 in the previous month, held steady in August. Moreover, both weekly hours and overtime hours in the nation's factories continued to be very high by historical standards."

In the Census Bureau report, researchers found that women had made wage gains by leaving lower-paid professions to take up occupations — such as law, computers and engineering — which were once dominated by men.

Traditionally American women have earned about three-fifths of what US men take home. However, from 1979 to 1986 the average earnings ratio climbed from 62 per cent to 70 per cent.

EC-Japan talks on trade

BY QUENTIN PEEL IN BRUSSELS

EUROPE'S INCREASINGLY touchy trade relations with Japan, and demands for further measures to open the Japanese market to European Community exports, will dominate the agenda of talks next week between Mr Willy De Clercq, the EC Trade Commissioner, and senior Japanese ministers.

The launching of EC anti-dumping investigations against Japanese-owned assembly plants in the Community, and against Japanese exports of compact disc players and D-ram (dynamic random access memory) microchips, have caused particular anger in Tokyo. On the other hand, the 12 EC member states insist that they have yet to see tangible evidence of market-opening measures in Japan for European exports.

Mr De Clercq will be calling in particular for some action to open big public-sector contracts in Japan to foreign contractors —including the Kansai international airport at Osaka, and residential developments in the Bay of Tokyo.

Although the visit is not a formal part of contacts between the Community and Japan — Mr De Clercq is attending a conference of EC and Japanese journalists—his list of appointments underlines the sensitive state of trade relations. He will be seeing among others Mr Tadashi Kuranari, the Minister of Foreign Affairs, and Mr Hajime Tamura, the Minister for International Trade and Industry

The trade deficit between Europe and Japan is still a matter of grave concern in Brussels, running some 2.9 per cent above 1986 levels, when it reached $21bn, although the rate of growth of the deficit has slowed.

The Community only exports to Japan one third of what it imports—a situation the European Commission describes as "unbearable" and quite different to the state of trade relations with any other industrialised country.

US may act on UK crankshaft dumping

BY NANCY DUNNE IN WASHINGTON

THE US Commerce Department has ruled that forged steel crankshafts from the UK are being sold in the US at less than fair value and has proposed anti-dumping duties of 14.67 per cent.

The duties will be imposed principally upon United Engineering and Forging if the International Trade Commission decides that the imports materially injure the US industry.

The ITC has 45 days to issue its decision. If it determines that injury has been incurred, the Commerce Department will then issue a final order instructing the Customs service to collect the anti-dumping duties.

The investigation began last October when the Commerce Department received a petition on behalf of the US industry by the Wyman-Gordon company. Imports of forged steel crankshafts from the UK were valued at $8.8m last year.

Reuter adds: Major textile-exporting countries yesterday condemned proposed US import curbs as a threat to their economic development and the world trading system.

Pools upstage polls in anxious Argentina

Argentina is holding its breath awaiting a record pools pay-out and knife-edged mid term election results, writes Tim Coone

IT IS difficult to judge which result is more anxiously awaited by 30m Argentinians this weekend—that of the mid-term elections or the football results which will determine the pay-out of a record $10m first prize on the pools.

The "prode," as the pools are called in Argentina, is organised by the Ministry of Social Welfare, which receives 60 per cent of the profits. It has almost upstaged the important mid-term elections which take place tomorrow. Even the most staid and cautious people are this week having a flutter. Businessmen, bankers, lawyers, factory workers, secretaries and taxi-drivers alike have been lured with the dizzy prospect of becoming overnight multi-millionaires by gambling a $5 stake.

People are even said to be crossing from Uruguay, Paraguay and Brazil to gamble on this weekend's 13 fixtures in the Argentine football league.

As one local journalist commented: "It seems more hopes have been created by the prode than by the outcome of the elections."

The jackpot is so big because for the past two weeks none of the regular 1.5m punters has won first prize. The prize money has been rolled over, leading to this week's record pot of more than 20m australs.

The prode administrators estimate that this week more than 5m tickets have been sold, more than three times the usual figure.

So while out on the terraces the fans cheer on their teams, and the prode gamblers await the scores, the politicians will be anxiously awaiting the other result of the weekend—those of 19m votes for the governorships of 20 provinces, half of the seats in the chamber of deputies of the congress, and almost 11,000 posts of councillors, mayors and representatives in municipal and provincial governments throughout the country.

On these will depend the future course of the government's economic policy, as inflation and economic problems have been the focal point of the election campaign.

The saturation of party propaganda on the airwaves, the leafletting in the streets, and the plastering of posters and painted slogans over any available wall space came to a halt on Friday morning by law, to give voters 48 hours to ruminate coolly upon their choices.

Lifting himself above the melee of party politics, President Raul Alfonsin said on television on Thursday night: "We have all had to learn in Argentina; the government to govern; the opposition to be an opposition. Who has learnt better I could not say. But certainly, the people, each one of you, has learnt the most . . . I have governed with the maturest people in our history."

In the past 30 years there have not been three consecutive elections without a military coup intervening. The president can claim this moral victory even if his party does not fare as well as he would wish tomorrow.

Many commentators believe the difficult economic situation will lose the ruling Radicals votes and posts to both right, left and centre. This will oblige the government to start building alliances next week with some or all of the opposition parties to be able to control the Congress where it stands to lose its majority.

If this happens there are likely to be changes in economic policy. One senior official in the Industry Ministry postponed an interview until next week saying: "It is better we talk after the elections. The answers I have today may be changed by political decisions taken next week. It all depends now on the outcome of the elections."

Whatever those economic decisions are, at least the prode winner will not have to worry about them.

Tomorrow's referendum on lifting the ban on opposition leaders could be a turning point, writes David Barchard

Politicians shape up for Turkey's two-man voting tournament

TURKEY'S Prime Minister, Mr Turgut Ozal, is fond of soft landings, a phrase that constantly recurs in his speeches and conversation. However, tomorrow's referendum looks more like a head-on collision which would put an end to at least one political career.

If things turn out badly, that career might be Mr Ozal's and the prime minister this weekend will be feeling all the ruefulness of someone who has overplayed a strong hand.

Recent remarks by him in the final week before the referendum have suggested to the Turkish press at least that he is steeling himself for a rebuff from the voters.

Suleyman Demirel: "could end one political career"

The referendum will ask voters whether they want politicians, including two former prime ministers, Mr Suleyman Demirel and Mr Bulent Ecevit, to be allowed to return to full political activity before a 10-year ban on them imposed by the military and upheld in a militarily - sponsored referendum five years ago, expires in 1992.

At the beginning of this summer, Mr Demirel looked like an irresistible force clamouring at the door of Turkey's somewhat artificial parliament which came into being after elections in 1983 and from which the military barred anyone of whom they did not approve.

Mr Ozal appeared to be bowing to the inevitable when his party in May voted to lift the bans on the former leaders. The prime minister's insistence on a referendum which would test the degree of support for the idea looked relatively innocuous as no one supposed that he would actively campaign against it.

Very quickly however, the referendum turned into a sort of plebiscitary tournament between Mr Ozal and Mr Demirel. If there was a "no" vote, it became plain, Mr Demirel—six times prime minister since 1965—would be humiliated. The True Path Party which he leads from behind the scenes would lose its raison d'etre if there was no chance of his holding office in the near future.

This was harsh luck for the other politicians involved in the ban, many of them virtual unknowns who happened to be holding party office in 1980. No one seems quite sure how many there are. Newspaper estimates range from 55 to 70 per cent. Government officials say there are 242 of them but no public list of their names will be up in the ballot booths tomorrow.

Whether or not they remain disenfranchised will depend on the outcome of the personal contest between Mr Ozal and Mr Demirel. The battle between the two men has been increasingly fierce and, as time has gone on, Mr Demirel's skills as an old campaigner have been very much in evidence. The voters across the country have flocked to him in ever larger numbers at rallies.

Part of his campaign stresses abstract themes such as human rights and the need to restore greater personal liberties in Turkey. But he also appeals to the desire of voters for an improvement in their standard of living.

He has some telling points to make against Mr Ozal. Quite apart from the question of whether trial by the electorate is never justified, he points out that Mr Ozal was a key figure in his administration when the 1980 coup happend and a candidate in one of the banned political parties in the 1970s.

If the prime minister had been elected in the 1970s, he reminds his audience, then he would have been on the list of banned politicians himself.

But Mr Ozal has seen to it that Mr. Demirel cannot make these points to a nationwide audience except by proxy. He is barred from television appearances. Party political broadcasts have been trimmed to one ten minute broadcast by each of the officially-recognised political parties and two by the prime minister himself, his final appearance coming today on the eve of the poll.

Because of all this it looked during the middle of the summer as if Mr Demirel was in serious danger of defeat. Since then, however, the picture has altered as the implications of the vote have become clearer to the country.

The poll will also be a sort of plebiscite on the 1980 military revolution, and perhaps because of this provincial officials in many parts of rural Turkey have been privately signalling to peasant voters in Turkey's 45,000 villages that they want a "no" vote.

In some regions at least, there seems to be a certain fear among the voters that even if they vote "yes," the ballot boxes could yield a "no" result.

In the big cities, the mood is more self-confident. Ankara looks like voting solidly against the prime minister. But the two other large cities in Turkey, Istanbul and Izmir, seem to contain more support for him, perhaps because they have done better out of his policies.

Mr Ozal has campaigned as vigorously as in any general election, travelling 23,000 km in under two months. His message to the voters is that if they vote "yes," then they will be asking for a return to the political violence and economic hardship of the 1970s.

As the campaign has gone on, however, nerves have got increasingly frayed. Mr Ozal lost his temper when confronted with angry voters in Mr Demirel's home town of Isparta. He set the police upon them, declaring that blue (the colour of "no" ballot papers and so of Mr Demirel's supporters) was the colour of the

Turgot Ozal: steeling himself for a rebuff.

The US-inspired razzamatazz of his campaign has also not gone down well with the public. In some cities, Ozal supporters waved banners in English for reasons no one (least of all the banner carriers) could explain.

Yet the advantages of holding office in a contest like this are undeniable and to many Turks at least it is clear that the condition of the country has improved greatly since Mr Ozal took office.

If he is rebuffed, the Ozal years could soon be at an end. And there lies the difficulty of the choice as far as many educated Turks are concerned.

They fear that an Ozal victory would be the signal for a tightening of Motherland Party control and perhaps open the way for the Religious Fundamentalists within it.

But if Mr Demirel comes comes back, as he is likely to do if he regains his political rights by a large majority, then Turkey may shake off the authoritarian legacy of the 1980 military coup and become temporarily more liberal. However past form suggests there will be economic mismanagement followed by the loss of the fruits of stability during the last few years.

Nor is the outlook on fundamentalism very encouraging. Mr Demirel was the prime minister who ushered in the expansion of Islamic education.

So instead of a simple endorsement of basic political principles, voters seem to be faced with a dismaying choice between the frying pan and the fire. Either way, the referendum could well be the most important turning-point in Turkey's history

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OVERSEAS NEWS

S Korea strikers arrested as fears rise over violence

BY RICHARD GOURLAY IN SEOUL

SOUTH KOREAN police yesterday arrested more than 350 workers accused of taking part in violent strikes that have hit two towns.

The arrests came as the opposition and government parties warned that labour violence could threaten democratic presidential elections in December.

The dawn arrests at Hyundai Heavy Industries in Ulsan were made after strikers occupied offices and attacked company property — breaking windows and computers but not so far factory equipment. Earlier this week, after 10,000 strikers marched to the centre of town a handful of them burned parked cars at the City Hall, though union leaders later claimed the arsonists did not work at Hyundai and could have been infiltrators.

The Home Affairs minister said industrial violence had gone far enough and warned that police would arrest strikers who seized offices, set fire to property or took employers hostage.

At the Daewoo Motor Company, in Pupyong near Seoul, police arrested about 70 men as they slept in a dormitory after the company requested police help to end a sit-in.

At Hyundai the strike was triggered by a pay dispute where 7 per cent divides the union and management while at Daewoo, the company says there are three unions claiming to represent workers making it impossible to start wage negotiations.

One of the opposition's two top leaders, Mr Kim Dae Jung, denounced the violence but said only a few of the 10,000 Hyundai strikers were involved.

Kim Dae Jung: denounced violence.

Meanwhile about 2,000 students at Seoul's Yonsei University fought riot police yesterday after calling for the resignation of President Chun Doo Hwan and the release of political prisoners.

For some weeks there have been fears in Seoul of a "September crisis" should student riots continue after they return to university at the same time as labour strikes continue. The fear is that this might give the hard line officers an excuse to halt the transition from military dictatorship to democracy.

Radical students' efforts to politicise what are basically strikes over wages and the right to set up free trade unions have so far been shunned by workers.

On Wednesday, US Senate chairman of the foreign affairs sub committee on Asia, Mr Alan Cranston, said that President Chun, and his hand-picked presidential candidate, Mr Roh Tae Woo, both assured him that they were committed to seeing the first direct presidential elections in 16 years take place in December.

Greece begins tricky task of negotiating on US bases

BY ANDRIANA IERODIACONOU

THE GREEK Government and the US began talks on the future of the four American military bases in Greece.

Mr Robert Keeley, the US ambassador to Greece, and Mr Karolos Papoulias, the Greek Foreign Minister, held a preliminary meeting on procedural details. The agreement on the bases' operation expires in December 1988.

Greek and American officials said the main negotiations are expected to begin next month in Athens. No timetable had been set for the completion of negotiations. This is a thorny point for the American side, which has wanted to nail down the prospects for the bases beyond 1988 for the past year and a half, so far to little effect.

The Greek Socialist government is formally opposed to the presence of the American bases, and signing a new agreement on their operation is politically tricky. The government has indicated that it would be willing to allow the bases to stay in exchange for US support for Greece in its disputes with Turkey over the Aegean and Cyprus. Any new agreement resulting from the negotiations is to be submitted to a referee.

Officials confront Poland's capitalists

Some former Solidarity activists are turning to private enterprise, but life is still hard, writes Christopher Bobinski

A GROUP OF Polish businessmen and free market economists —many of them Solidarity supporters — yesterday held the founding meeting of the Economic Society, a body which aims to promote private enterprise.

The organisation has taken nine months to win official approval, in spite of official protestations that the market would be allowed a greater role in Poland. It is likely to have its work cut out combating prejudice and bureaucratic opposition.

Budding entrepreneurs continue to come up against official barriers, while private sector profits and wages cause unrest among the public.

Recently a row blew up over impressive profits earned by Agrotachnika, a company set up by the official rural youth movement to bolster its finances.

As soon as profits and incomes began to rise officialdom took an interest, rescinding tax concessions and accusing the company of breaking the rules to make undeserved profits.

Other groups are also experiencing problems. Unicum is a co-operative set up in 1984 by Solidarity supporters, many of them freed political prisoners who were unable to return to their old jobs in the state sector.

The co-operative took to acting as a middle man between state companies which in the past had been told by state planners where to buy and sell. Since 1982 these controls have been eased, leaving state companies adrift with no experience of buying and selling. This is where Unicum came in.

Unicum has a turnover of Zl3.5bn a year. With commission of around 3 per cent it can afford to pay members like Mr Andrzej Kaniewski, sentenced in 1982 for leading a strike against martial law at the Ursus tractor factory, at least three times what he would have been getting at his old job

However, Mr Andrzej Machalski, a former philosphy don at Warsaw University who spent time in prison for helping to lead an underground Solidarity group, is now chairman of Unicum. He is keen to set up several limited joint stock companies

These would deal in computers, provide design services or implement new technological ideas. The snag is that local government officials are reluctant to give permission for them to start trading or producing.

UK NEWS

David Lascelles looks both sides of the counter to meet the new breed of bank manager

A high profile in the quest for market intelligence

NO ONE, it seems, can be indifferent to bank managers. To some of us, they are angels of mercy. To others they are tightfists. To some they are pillars of the local community, to others the busybodies of the high street. What is certain, though, is that if Britain's 12,500 bank managers suddenly disappeared, chaos would barely describe the consequence.

Mr Steve Harris is one of them. He runs Midland Bank's branch in Stamford, a pleasant country town of 17,000 in south Lincolnshire noted for its fine stone buildings. "They say that visiting your bank manager is a bit like going to the dentist," he said in his first-floor office overlooking the little market square. "If that's true, then it's a great shame. But I think it's totally wrong. We have a lot to offer."

BEHIND THE SCENES

And a lot to sell. Today's bank manager is far removed from the traditional image of the grim-faced, desk-bound type of old. The fierce competition between banks and building societies, particularly during the credit boom of the last few years, has pushed the bank manager into the front lines of the battle for business.

Mr Harris, who is 38, is chatty and energetic, but firm-minded and determined to snatch every advantage he can over his great local rivals, Barclays, NatWest, Lloyds and the TSB.

"You have got to have a high profile. I like to walk down the street and recognise, and be recognised by, all the leading mebers of the community. It's really a marketing job that I do." He was pleased because the local newspaper had just printed a picture of him handing over a Midland cheque to a town charity.

Mr Harris has been in Stamford 20 months and expects to be there about five years. Being a branch manager is very much a family affair, with his wife, Honor, and three children supporting him socially. He administers about 4,000 accounts, including 400 business accounts divided between the town's small industrial community and farmers in the surrounding countryside.

The basic chores of the branch mean he has to spend several hours a day dealing with correspondence and fighting the mountains of paper that banking still creates (although electronics should eventually get rid of that).

But he far perfers to be out and about, chatting with clients, getting Midland's name known and keeping tabs on projects he is helping to finance. As well as regular banking services, he promotes other facilities offered by the Midland group, such as leasing and merchant banking.

On a typical day, he might drive out to talk over a loan plan for a farmer who wants to buy some land ("I know he's a good farmer. But we have to work out whether he can make it pay.") His local industrial clients include C&G, a go-ahead ready-mixed concrete business with a fleet of 30 computer-controlled lorries, and Pegasus, one of the country's few makers of horseshoes.

They might need financial facilities to buy new equipment, or just an overdraft to tide them over troughs in the cash flow. Several of his clients have facilities running into millions of pounds.

"I know my customer. I know what he thinks. I almost know what his next question is going to be." And Mr Harris can never really be off duty. "If I meet someone in the street on Saturday, I can't say 'Sorry, not today, I've got my holiday hat on'."

In his constant quest for business and market intelligence, he and the Midland branch have built up an immense store of knowledge about the community. He knows all the obvious things about his customers: how much they are worth, when their salary cheques come in and whether they are building extensions to their homes.

'I like to walk down the street and be recognised by all the leading members of the community'

But a debit slip from a cash machine in France, for example, will tell him that someone has gone on holiday. Or the sudden ending of a joint account will alert him to a possible marital break-up.

Each morning, he goes through a checklist of accounts that are at or near their credit limits with the help of his secretary, Linda Starbuck, a local lady who has been at the branch for 15 years.

Should he bounce X's cheque for £50? Perhaps not, because his salary is due in three days. But Y, an aspiring but not successful businessman, has tried his luck once too often. As for Z, he got a loan to renovate his home and Mr Harris is watching his cheques carefully to ensure that the money is not going astray.

"If someone seems to be misbehaving or in trouble, we'll drop them a line. Or if I meet them in the high street, I might have a quick word," Mr Harris says.

But every community has its rascals and troublemakers. Now and then, Mr Harris will deliberately strain the relationship to breaking point in the hope that the client will give up and go elsewhere. But he also has to be on the alert for customers on the rebound from other banks.

"Bank managers have a way of knowing," he says a little mysteriously. "But you are vulnerable when you first arrive." Confidentiality is a sacred tenet, although Midland's terms of business allow it to disclose customer information to protect its own interests.

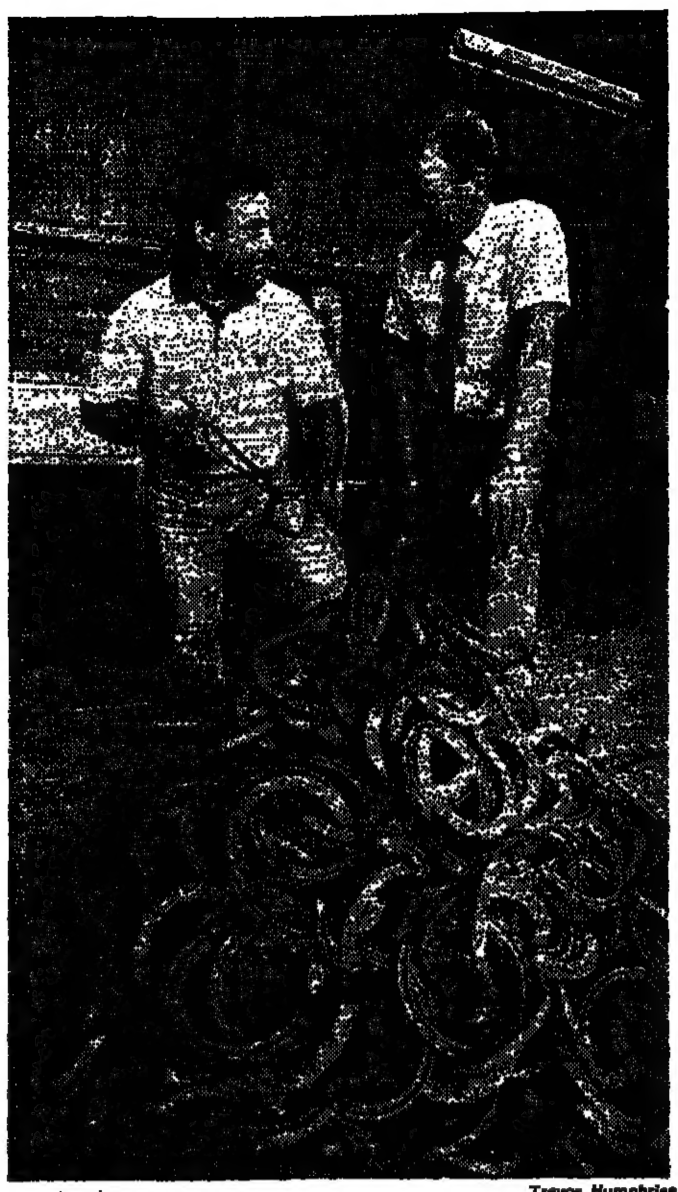
Before Stamford, Mr Harris worked in Midland's Small Business Unit at headquarters in London. That taught him the potential for entrepreneurship but also educated him to the distressing absence of management skills in many new companies.

"People don't like to be told how to run their affairs. If someone comes in and asks for a fe wthousand pounds to start a business, I hve to be satisfied that they know how to manage it. And I am not going to lend money just because someone thinks he has a bright idea."

At the SBU, Mr Harris helped to write a series of booklets on how to prepare business plans.

But does he not feel hard-hearted when he douses his would-be clients' enthusiasms or refuses to honour their cheques?

"People think they are entitled to credit, but they are not. We try to give advice as to how people should negotiate their way out of their problems. But in the end, people must be responsible if they borrow money."



Trevor Humphries

Simon Dale, managing director of Pegasus Horseshoes, and Steve Harris of Midland Bank.

Goals urged for defence electronics

By David Buchan

THE GOVERNMENT should give the defence electronics industry more of a lead by setting out national technological goals to be achieved jointly and by promoting international collaboration more vigorously, the Ministry of Defence's former head of research said yesterday.

Sir Colin Fielding, who was controller of MoD research establishments until the end of last year, cited the Government-funded Alvey research programme into information technologies as providing just such a boost over the past four years in this fast-changing field.

Sir Colin, now head of Defence Technology Enterprise, set up recently to diffuse innovation from the defence to the civil sector, was publicising his keynote address to an International Defence Electronics Exhibition being held in Brighton from September 21-23.

The barriers separating defence and civil applications of information technology were lower than ever, Sir Colin said. "Even the demanding environmental requirements set by defence are being matched in automobile electronics, process control, civil space satellites and many real-time office applications," he said.

The Government had decided earlier this year to restrain future growth in defence R & D so as not to place too great a demand on limited numbers of scientists and engineers.

While acknowledging that there were "well-rehearsed" arguments against cutting defence R & D because of possible civil spin-offs, he pointed out that information technology's "drive did not derive from defence requirements in the lead countries" such as Japan.

Sir Colin said that those who complained that defence industries tended to lock up their technology did not appreciate that "a large percentage of Defence Ministry R & D funding" was directed to specific project engineering.

Societe Generale de Surveillance

SOCIETE GENERALE de Surveillance of Geneva, which provides services for the inspection of goods, was incorrectly described as an insurance company in yesterday's FT.

Investors to pay £34m for Sphere Drake

BY NICK BUNKER

ALEXANDER & ALEXANDER Services, the world's second biggest insurance broker, has found a buyer for the London-based Sphere Drake group of insurance companies, which it acquired when it bought Alexander Howden, the Lloyd's insurance broker, in 1982.

Alexander & Alexander said a group of investors including Sphere Drake's existing managers and Dai-Tokyo Fire and Marine, a Japanese insurer, had offered a price of £34m for the group, based on its estimated book value.

The offer's terms are complex, however, and would involve A & A in indemnifyi\:; the purchasers against any further deterioration in Sphere Drake's results araising from insurance business written before 1986.

The other investors in the group of purchasers are Centre Investc/s, an affiliate of Lazard Freres, the investment bank, and Electra, the British investment trust.

Alexander and Alexander said any estimated loss incurred on the disposal would be less than $10m £6.2m). Subject to completion of documentation, A and A's management intends to recommend acceptance of the offer to the A and A board before the end of September.

Sphere Drake has required big infusions of capital from Alexander and Alexander at various times since 1982, because of heavy losses arising from its involvement in North American casualty insurance.

The Sphere Drake group includes five companies altogether. They made a pre-tax profit of £2.38m in 1986, after a loss of £17m in the preceding year. Thegroup has total assets of £226.4m. The sale of Sphere Drake would mark "a significant step" in A and A's global withdrawal from insurance underwriting, said Mr Peter Tritton of Alexander Howden, Sphere Drake has been up for sales for some time.

Traders complain about Connect card

BY HUGO DIXON

RETAIL CONSORTIUM, the shopkeepers' trade association, has reopened the controversy over Barclays Bank's Connect debit card by writing to the Office of Fair Trading to complain about how the bank is treating small retailers.

The consortium argues that Barclays is using its monopoly position in the credit card market to force retailers into accepting Connect at unreasonably high charges. It says small retailers are being discriminated against.

The focus of the consortium's complaint is that Barclays is implicitly threatening any retailer who refuses to accept Connect, which carries the Visa brand name, with expulsion from the Visa credit card network.

"The risk of loss of custom to his competitors, particularly the large multiple, is one which [the smaller retailer] cannot afford to take," the consortium said in a statement.

Mr Michael Wilsey, of the consortium, said some retailers were therefore being pressurised into accepting the card even though they thought the charges were too high.

Mr Wilsey admitted that most large retailers had negotiated satisfactory deals with Barclays. Some smaller retailers that had high-value transactions, such as jewellers and furniture stores, were also happy with the charges because their payment was guaranteed.

Small retailers with low-value transactions averaging less than £10 each were not happy, he claimed. They were paying 18p-25p for each transaction compared with about 12p for cheque processing, and saw few extra benefits from Connect.

Barclays denied using threats of expulsion during its negotiations with retailers over Connect. It said most retailers had accepted the card.

Peugeot returns to net profit in first half

By Kenneth Gooding, Motor Industry Correspondent

PEUGEOT TALBOT, the UK subsidiary of the French vehicles group, made £5.7m net profit in the first half of this year. Mr Geoffrey Whalen, managing director, forecast yesterday that a modest profit for 1987 as a whole would follow.

In the first six months of 1986, Peugeot Talbot lost £8.3m. For the full year, the loss was £14.9m.

Mr Whalen hoped the company would be profitable in 1987 although it had had to cover the costs of two significant changes in the second half.

Peugeot Talbot is to close its operation in Coventry, which makes kits for Iran, with the loss of the last 50 jobs. The Iranians were unwilling to devote any resources to the state-owned Peykan car venture.

At the same time, the company faces the one-off cost of putting the Peugeot 405 model into production at Ryton, near Coventry, by October and launching it on the UK market.

However, benefits have come from a strong performance in the UK new car market. Peugeot Talbot's share in the first half improved to 4.7 per cent from 4.4 per cent in the same period of 1986 and in August it achieved 5.4 per cent.

"We expect to hold the August level for the rest of the year," said Mr Whalen.

Peugeot Talbot's first-half turnover, which improved from £313.6m to £372.5m although it sent 7,000 fewer kits to Iran, was helped not only by improved car sales in the UK but also by some exports of the 309 model to Belgium, the Netherlands and West Germany.

There was an operating profit of £9.3m in the first half compared with a loss of £3.2m in the same months of 1986. Net interest cost fell from £5.1m to £3.6m this year.

Mr Whalen said Peugeot Talbot could expect a continuing improvement in its financial results in 1988.

He said the company, which has made a profit in only two of the past 15 years, "can look to a profitable future."

Nick Bunker reports on growing company fears of vulnerability to foreign predators

Looking for insurance against hostile bids

WHATEVER HIS plans for Equity and Law, the life assurance group, Mr Ron Brierley, the New Zealand entrepreneur, has made history. He may also have brought to a climax anxieties felt by some of the UK's biggest insurance companies about their vulnerability to foreign predators.

Not since the late 1960s, when Mr Jim Slater was named most often as a potential bidder, has a British life company been the target of a hostile takeover. Eagle Star was the subject of a bid battle in 1982-83 between Allianz, the German insurer, and BAT Industries. However Eagle Star was primarily a non-life insurer.

The last actual case was nearly 20 years ago, when Nationale Nederlanden, the Dutch insurer, took control of Life Association of Scotland.

A more interesting case was that of Scottish Life, which in 1967 discovered that one of Mr Slater's associates had built up a secret stake through a nominee account.

It feared that Mr Slater would "asset-strip" its funds by winding up its insurance operations and unlocking its surplus investment funds.

Scottish Life beat off the challenge by the drastic move—generally regarded as impossible today—of passing a private Act of Parliament to turn itself into a mutual company owned by policyholders.

The lack of bids is partly to do with regulation. The 1982 Insurance Companies Act imposes strict limits on what a bidder could do to draw extra profits swiftly out of, say, Equity & Law's £3.5bn investment portfolio.

By law, life companies have to set a "participation rate," which governs how much of their profits go to shareholders and how much to policyholders. The normal split is 90:10 in favour of the latter.

A successful bidder could try to draw out more money for shareholders by changing the participation rate in their favour. But he would have to tell the Department of Trade and Industry and publish the fact if he wanted to change it by more than ½ per cent a year.

Further, section 37 of the Act says the DTI can intervene—and even withdraw the insurance company's authorisation—if its new controller appears likely to fail to fulfil "the reasonable expectations of policyholders."

Yet in spite of those restrictions, which actually date only from the early 1970s, the spectre of Jim Slater has continued to haunt the minds of some life assurance companies.

Not even Equity and Law was comparing Mr Brierley yesterday to Mr Slater. By law, he will have to have DTI approval—which might take three months to obtain—as "a fit and proper person" to run Equity and Law, once his shareholding tops 33.3 per cent.

Mr Brierley is well established in the insurance business in New Zealand, however, and could use that as evidence of his reputation.

What has happened now is that the fear of predators trying to "asset-strip" a life company has become mixed up with another fear—the worry that British insurers are vulnerable to foreign bidders.

Ever since the Eagle Star battle, Mr Geoffrey Bowler, former chief general manager of Sun Alliance, the composite insurer, has been unsuccessfully seeking some measure of protection fro mthe Government against takeovers from abroad.

In private, he cites the threat from Japan, whose biggest general insurer, the Tokyo Marine & Fire, has a market capitalisation inflated by Japan's rising stock market to a figure around six times that of the UK's Royal Insurance.

That was partly responsible for Mr Bowler's public intervention in May in the Sun Life/Transatlantic controversy. Then, he backed Sun Life's management against a demand for board representation from its biggest shareholder, Transatlantic, which is 48 per cent owned by Liberty Life of South Africa.

Not every insurer shares Mr Bowler's strong views, and most tend to feel that protection against foreign takeover is simply impractical. One difficulty is that British companies are still making overseas acquisitions themselves, such as Prudential Corporation's purchase in 1986 of Jackson National, a US life assurer.

After this summer's general election, however, a deputation from the Association of British Insurers visited Lord Young, the new Trade and Industry Secretary, to make sure the Government was aware of the issue.

EQUITY & LAW INVESTMENT PORTFOLIO

Assets (£m)	1986	1985
UK Main Fund:		
British government securities	482	463
Other fixed interest investments less loans	145	105
Equities UK	875	643
Overseas	314	234
Properties UK	342	329
Overseas	36	31
Net current assets	47	42
Other assets held for:		
Unit-linked business	1,108	820
Other overseas business	302	224
	3,591	2,891

Brierley threatens shake-up with Equity & Law bid

MR RON BRIERLEY believes that parts of the British insurance industry are due for a shake-up, writes Terry Povey.

Commenting yesterday on the reasons for his Equity and Law bid, Mr Brierley said the company was "a mutually oriented operation, paying little attention to its shareholders."

Brierley Investments, New Zealand's second largest company with a market value of about £2bn, began buying in to E & L 18 months ago at around 230p. Since then, it has paid about £90m for a 29.96 per cent stake — the equivalent of 305p a share.

The group had built up its holding, mainly by purchases from funds managed by Warburgs, because it viewed E&L as "clean—a pure life business without complications."

"It had the beauty of simplicity, good value with some speculative possibilities as well."

Mr Brierley said the New Zealand group's interest in E&L centre on the "quantum of funds under management," the prospects of an improved return and E&L's good name.

Asked if the tough regulatory regime surrounding life companies was a difficulty, Mr Brierley said the regulations were "nuisance aspects but not obstacles to a considerably improved investment performance."

E&L's £3½bn of invested funds ought to be producing more than a £7m profit for shareholders, he added.

On the role of actuaries, usually seen as the real powers in the life assurance business, Mr Brierley said the growth of unit-linked policies and the age of computerisation meant that the role of actuaries today was much exaggerated. "I accept that the rules do not yet reflect this," he added.

"The whole philosophy of this industry has to change. The chase after the savings pound involves all the investment alternatives, life policies included, in a common battle."

What about policyholders? "Our investment record is their best protection—E&L, even by conventional means, could do a lot better once the operation is streamlined. If this was an engineering company I might have to hire in extra people to tell me what to do—but I knew what's needed in an investment business," Mr Brierley said.

He viewed the 365p cash offer as at the "top of any reasonable range" for E&L but said the ultimate determinant of price was what someone was prepared to pay. "A Japanese insurance company, for example, might pay a lot to get into the UK market just because it takes a very long-term view of the industry."

Brierley Investment's only significant involvement in insurance is a 32 per cent stake in NZI Corporation, the leading Australasian insurance and banking group.

Glaxo opens two ulcer drug plants

By Lynton McLain

GLAXOCHEM, the manufacturing subsidiary of Glaxo, opened two pharmaceutical plants yesterday in Scotland to double production of its drug for treating ulcers.

The plants, at Montrose, Angus, and Annan, Dumfriesshire, were built for £63m in the past three years, Glaxo's largest single investment. They make ranitidine, the active ingredient in treatment of peptic ulceration.

Glaxo claims that the Zantac drug, based on ranitidine, is the largest-selling pharmaceutical in the world.

The drug was launched six years ago from a plant at Montrose.

The new investment, and other projects, created 90 jobs at Annan and 30 at Montrose.

Motorway plan to ease queues in Birmingham

Financial Times Reporter

PLANS FOR a motorway to help to relieve congestion in the Birmingham area were published yesterday by the Department of Transport.

The proposal is for a 33-mile three-lane motorway to run from the M54 at Featherstone in Staffordshire, on a line close to the A5 around Birmingham, to the M42 junction near Curdworth in Warwickshire.

Mr Peter Bottomley, the Roads and Traffic Minister at the department, said the draft proposals for the new Birmingham northern relief road were "a significant step towards easing the traffic problems in the region."

Work on the new road might begin in four years, subject to consultations, objections and representations.

Laker appeal rejected

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AN ATTEMPT by pilots and other former employees of the now liquidated Laker Airways to bring anti-trust proceedings against British Airways and other transatlantic airlines, after Laker's collapse in 1982, has failed.

The US Court of Appeals for the District of Columbia has rejected an appeal by the former Laker employees against an earlier decision against them by the US District Court.

The pilots and other employees had sought damages under the US anti-trust laws, on the gorund that they had suffered financially after Laker's collapse as a result of alleged actions against that airline by BA and other Atlantic operators.

The earlier allegations, that BA and other airlines conspired to drive Laker out of business, were settled in July 1985, by an out-of-court payment of $48m by BA and other airlines to the liquidator of Laker Airways. The airlines paid another $8m to Sir Freddie Laker (former chairman of Laker Airways), and $8m to Sir Freddie's and the liquidator's lawyers.

Britoil plans Manchester test drilling

Financial Times Reporter

BRITOIL, the largest of the independent UK oil companies, is reviewing plans for test drilling in central Manchester after analysing seismic data collected last year.

The company said exploratory drilling would not start until the latter part of next year. It would depend on a firm decision by the company and consultations with the local authority.

If the drilling were to go ahead, it would be the first in a UK city centre, although test wells have been sunk in Paris and there is one oil-producing well in Los Angeles.

Britoil said that although drilling rigs were large, the difficulties of drilling in built-up areas were not insuperable, provided a large enough site could be found.

Oil companies have not recently been doing much exploratory drilling on the UK maintained because of relatively disappointing results after the discoveries at Humbley Grove and Wytch Farm in the south.

Coutts co-operating with DTI investigation

By Our Financial Staff

NATIONAL Westminster Bank said yesterday that Coutts & Co, its prestige banking subsidiary, was co-operating "to the fullest possible extent" with a Department of Trade and Industry investigation.

The investigation is believed to concern possible insider trading in shares of WPP, the advertising group, in which a 10 pe rcent stake was acquired by Saatchi and Saatchi in 1985. The DTI said it did not comment on its inquiries.

Vitrified nuclear wastes 'should travel in 1990'

BY DAVID FISHLOCK, SCIENCE EDITOR

TRANSPORT OF vitrified, highly radioactive nuclear wastes will probably begin about 1990, Mr Bert Curtis, managing director of Nuclear Transport, told the annual conference of the Uranium Institute in London yesterday.

Transport requirements were similar to those for spent nuclear fuel—except that the vitrified waste was non-fissile—and presented "no problems which have not already been solved," Mr Curtis said.

Vitrified waste from plants at Sellafield in Cumbria and La Hague near Cherbourg would be transported in 100-tonne containers, which are similar to the flasks for spent nuclear fuel.

The British and French contracts for reprocessing overseas fuel have clauses requiring the country of origin to take back the vitrified wastes for storage.

Mr Curtis said flasks for transport were being designed in Europe and Japan, with capacity for 21 waste containers each weighing 500 kg.

The nuclear transport industry was a small but vital part of the nuclear industry, Mr Curtis said. It employed about 700 people worldwide.

A typical 925-megawatt nuclear reactor produces 393 tonnes of low-level radioactive wastes, 802 tonnes of intermediate level waste packaged in concrete or bitumen, and 9 tonnes of high-level radioactive wastes a year.

Servicing such a reactor also required annually the transport of 105,000 tonnes of uranium ore, 52 tonnes of new fuel assemblies, the same amount of spent fuel, and 0.19 tonnes of plutonium.

Southport plans shopping, hotel and leisure complex

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

THE NORTH-WEST seaside town of Southport yesterday announced plans for an £80m shopping, hotel and leisure complex with which retailers hope to combat threatened and growing competition from out-of-town shopping malls.

The scheme—which would recreate in modern style Southport's long-vanished Winter Gardens—totals 600,000 sq ft and would occupy a 10-acre site between the sea front and Lord Street, the town's conserved, elegantly canopied and arcaded Victorian-Edwardian shopping thoroughfare.

Completion is forecast for 1991, when 2,000 jobs would have been generated, including 500 on construction.

Planning permission for the scheme, launched jointly yesterday by Sefton Borough, the local authority, and Sibec, a Manchester developer, appears almost certain. However, Sibec disclosed that it had yet to put together a consortium to finance the project, although it had already assembled and bought nine-tenths of the land required.

Mr Mike Birchall, Sibec's chief eexcutive, said the company would rely on short-term finance to begin work next May and then negotiate longer-term funding with banks and institutions. Sibec has been involved in projects worth a total of £400m around Britain, the largest single one of which to date is worth £25m.

Sefton and Sibec are hoping that the scheme will not be called in for a Department of the Environment inquiry, which happens automatically with proposals for large, green-field retail malls. The retail element is 350,000 sq ft and they argue that the project is urban, not out of town.

'Big three' car makers lost ground in August

BY JOHN GRIFFITHS

THE UK's "big three" car producers each lost market share in August's record new car sales boom, compared with a year ago.

Statistics from the Society of Motor Manufacturers and Traders show they lost ground primarily to Peugeot Talbot, which had its best sales month since 1978, and to Continental importers including Peugeot's sister company, Citroen and Fiat.

The Italian company's 16,580 sales and 4.07 per cent market share were its highest ever for a single month.

Peugeot Talbot's performance saw the imported Peugeot 205 reach eighth in the top 10 list of August best sellers. Had it sold 64 more of the 309, the UK-built car would have taken 10th place from Rover group's Montego.

Citroen's August registrations were up 53 per cent on a year ago. It finished the month with 2.87 per cent, helping the Peugeot group overall reach 8 per cent-plus of the market for the first time.

With the 405 medium saloon due to go into production at Ryton this year, the French group's hope of securing 10 per cent or more of the market is appearing increasingly justified.

As the table shows, Ford remained the clear market leader. However, while its and Vauxhall's market share fell, only Rover group of the "big three" saw both its share and unit sales decline in a month where total registrations were up 6.57 per cent on the previous August.

In spite of the success of the "traditional" importers such as Audi/Volkswagen and Fiat, the total share taken by imports fell by 4.18 percentage points.

The SMMT's figures show a drop of over 1 percentage point, to 10.28 per cent, in the August share taken by Japanese imports.

The 407,383 registrations last month, certain to be over 20 per cent of the year's total sales, are likely to focus fresh attention on a Government-organised working party examining whether the registration system should be revised to reduce the August sales bulge.

The "top 10" best-sellers in August were 1 Ford Escort 33,144, 2 Ford Fiesta 31,586, 3 Rover Group Metro 24,987, 4 Ford Sierra 24,441, 5 Vauxhall Astra 20,707, 6 Vauxhall Cavalier 17,721, 7 Ford Orion 12,164, 8 Peugeot 205 11,480, 9 Vauxhall Nova 9,719, 10 Rover Group Montego 8,979.

Ridley approves plan for big M25 shopping centre

BY WILLIAM COCHRANE

LONDON'S first big out-of-town shopping centre, which might be worth £150m to £200m on completion, gained political approval this week.

After the public inquiry in January this year, Mr Nicholas Ridley, Environment Secretary, granted outline planning consent for the Lakeside Shopping Centre adjacent to Junction 31 on the M25 at West Thurrock, just north of the Dartford Tunnel.

Construction at Lakeside, where there is already extensive retail warehouse development, is likely to start in the second half of 1988. The centre is expected to open for trading two years later.

Capital and Counties, known as a top-grade retail developer and Pearson, the landowner, will develop the scheme as a joint venture. The centre will provide more than 1.15m sq ft of shopping, 8,000 parking spaces and leisure facilities on an 80-acre site.

The approval signifies little to the string of developers seeking permission for similar centres around the M25 orbital motorway, since the Thurrock site is not on protected green belt land.

Mr John Abel, a director of Capital and Counties, said: "In that respect, it is different to all the schemes I know about which are being promoted for the M25."

Successive environment secretaries have emphasised that this Government's priority is to protect green belt land.

GEC 'black box' fights soccer thugs

By Philip Coggan

GEC, ONE of the most familiar names in British industry, is attempting to tackle one of Britain's most familiar pasttimes: football hooliganism.

A trial scheme at Derby County, the First Division soccer club, is using what GEC calls its electronic "black box."

Scheme members are given a key which they insert in the box on entering the turnstiles and paying.

If the member is genuine, the gatekeeper sees a green light and the fans can enter the ground. If not, a red light appears and a potential troublemaker can be denied entry.

Each key is coded. The system allows for codes to be changed so that a possible troublemaker provokes a red light. The system prevents the same key from being used by two separate supporters to gain entry to the same match.

A black box costs between £1,500 and £2,000. Each turnstile can handle about 1,000 keys. If keys were sold to supporters for £2 each, the system could be self-financing.

GEC developed the system from its Guestkey equipment, used in the Grand Hotel at Brighton after the bombing during the Tory conference in October 1984. It is now marketing a portable version that clubs can take to their opposition's grounds, allowing them to create a safe area for their supporters.

Derby County's Stuart Webb is delighted with the system. "Security-wise, it's first-class," he says. "We've created an enclosure where people can feel able to bring their families, and we've been able to cut back on policing."

It remains to be seen if GEC will attain its goal of nationwide acceptance of the box.

There is, it admits, nothing to prevent a troublemaker from borrowing a key from a friend to gain admittance, even though both fans cannot watch the same game.

With many clubs dragging their feet over introduction of membership schemes, it might be some time before the box turns all soccer hooligans "sick as a parrot."

Labour left wing plans its own conference

BY JOHN HUNT

A CONFERENCE to draw up a revised programme of left-wing policies is to be held in Chesterfield, the constituency of Mr Tony Benn, three weeks after the Labour Party's annual conference in Brighton.

It will be seen as a counter-attack by the left against the policies being advocated by Mr Bryan Gould, Labour's campaign co-ordinator during the election, who has been urging the need for the party to occupy the centre ground of politics.

But yesterday Mr Benn said it would be a campaign for ideas and was not an attempt by the left to capture the internal machinery of the party.

"If we are going to have a policy review then it needs to have a strong Socialist input," he said.

The conference, which is expected to draw at least 500 people, has been called by the left-wing Campaign Group of MPs, of which Mr Benn is chairman; the Socialist Economists' group; and the Socialist Society.

Trade unionists, including Mr Arthur Scargill, president of the National Union of Mineworkers, and representatives of constituency parties will attend. Others from outside the Labour Party, including Mr Dafydd Elis Thomas, the Welsh Nationalist MP, will be there. Both Mr Thomas and Mr Scargill are among the sponsors. Political figures from eastern Europe have also been invited. The decision to hold such a gathering after the official annual conference is likely to anger the Labour leadership. But the organisers deny that it is intended as an alternative conference of the left.

They hope further similar meetings will be held in other regions.

Mr Jeremy Corbyn, Labour MP for Islington North and secretary of the Campaign Group, said the aim was to present the "real alternative of socialism rather than the retraction going on at the present time."

Writing in Campaign Group News issued yesterday, Mr Benn attacked the "defeatism" of those who believed that the working class was disappearing and socialism was in terminal decline. He criticised them for advocating some form of electoral alliance or coalition.

Such a strategy was highly unlikely to win a parliamentary majority, he said. Socialists must therefore urgently reach agreement on a serious alternative to the current right-wing consensus in British politics.

The conference will be held in Chesterfield on October 24 and 25. There will be a rally on October 24 addressed by Mr Scargill, Mr Ken Livingstone, former GLC leader who is MP for Brent East, and Ms Rebecca Johnson, of the Campaign for Nuclear Disarmament.

● The full agenda for Labour's annual conference, to be held from September 28 to October 2, will be published tomorrow. But according to Labour Weekly, the party's newspaper, published yesterday, the debate on policy will centre round an amendment from Nupe, the public employees' union. It calls for a review designed to make Labour policies attractive, imaginative and responsive.

The paper also says that the National Executive will be proposing that party membership subscriptions for individuals be increased by about 6 per cent.

Tony Benn

UK NEWS—LABOUR

Electricians' no-strike deal defies TUC pact

BY PHILIP BASSETT, LABOUR EDITOR

LEADERS of the EETPU electricians' union have signed a new strike-free, single-union deal in spite of the informal pact by the TUC General Council voluntarily to limit reaching such agreements while it is carrying out its planned review of union organisation.

The signing of the new deal with an electronics company in South Wales immediately puts under strain unions' willingness to modify their conduct while the TUC review, which its annual Congress in Blackpool is expected to approve on Monday, is under way.

News of the new deal is likely to add to sharp criticism of the electricians' deals which is expected to be voiced at the TUC next week.

South Wales officials of the EETPU signed the deal this week with Mechanical Industries (Wales), a newly established electronics components company based in Briton Ferry near Port Talbot, which manufactures video recording heads and other parts for companies like Hitachi and Orion, with which the electricians also have strike-free electricians also have strike-free, single-union agreements.

Local officials of the TGWU transport union competed with the EETPU to reach an agreement with the company, but the electricians believe their deal —which features the strike-substitute mechanism, pendulum arbitration—is unlikely to be referred by the TGWU to the TUC's inter-union disputes committee, since they claim the TGWU had no members at the previously non-union company.

The EETPU will also defend its deal because the agreement was put this week to a ballot of the company's 100-strong workforce. Of those taking part, 57 (85 per cent of those voting) agreed to accept the deal, and 10 (15 per cent) voted against.

The signing of the agreement is a clear indication that the EETPU intends to continue making its controversial strike-free deals where possible.

Mr Wyn Bevan, EETPU executive member for Wales, said of the TUC's informal agreement: "I am not involved in the machinations taking place nationally in the TUC. If an employer, and employees after consultation and in a secret ballot, wish me to conclude agreements of this sort which bring more industry into South Wales, I will do so."

The company said it was "extremely pleased" with its deal with the electricians. Mr Andrew Goodwin, personnel manager, said: "We wanted to have a union presence, but we also wanted a sensible union arrangement—and all the signs were that the EETPU would be able to offer that."

Move to set up equal rights department

THE TUC looks set to establish for the first time an equal rights department in a move designed immediately to defuse a possible row at next week's TUC Congress over a call to set up a women's department.

Leaders of the health service union Cohse are asking the TUC to set up within Congress House, the TUC's headquarters, a separate department staffed by women and solely to deal with women's issues.

Mr Norman Willis, TUC general secretary, made clear to the TUC General Council in Blackpool that such a move might place the TUC in conflict with the equal opportunities provisions of employment law.

Instead, Mr Willis drew up a statement to be presented to next week's Congress proposing, without any conditions on staffing, the establishment of a properly resourced equal rights department before next year's TUC women's conference in March.

Although some Cohse officials had been adamant the union would not accept the notion of an equal rights, as opposed to a women's, department, the union supported the statement when the General Council backed it by 34 votes to 1, the opposer being Mr Arthur Scargill, president of the National Union of Mineworkers.

Scargill rejects discipline code change

By Philip Bassett and John Gapper

MR ARTHUR SCARGILL, president of the National Union of Mineworkers, yesterday rejected British Coal's amendment to its disciplinary code, increasing the likelihood that the union's executive will tomorrow back industrial action.

Mr Scargill said that the corporation's commitment to reinstating sacked miners if directed to do so by an industrial tribunal did not constitute a change, and the union's executive had to take a decision on action "very quickly."

He added that if British Coal had not conceded the NUM's principal points of objection to the code by the time of its national executive meeting in Blackpool tomorrow, he could see "no alternative" to taking industrial action.

However, some Yorkshire NUM officials believe that national executive members from other areas will oppose any immediate action at the meeting, and they could be outvoted over their wish for a national overtime ban.

The NUM ballot result — a 77.5 per cent majority in favour of industrial action—has to be implemented by September 21 if it is to stay in force. It allows the NUM to institute industrial action short of a strike.

Mr Scargill said yesterday that he was "bitterly disappointed" by a letter from British Coal setting out the terms of its "clarifications" of the code, although the corporation appeared to have made one further concession in it.

According to Mr Scargill, the letter said a miner facing discipline could choose as a representative a colleague who had already been dismissed, although such proceedings would to take place away from he British Coal premises.

He said that British Coal had accepted an Acas suggestion that instead of conduct warnings remaining on a miner's record for three years, they would stay for six months if oral, or a year if written.

Mr John Northard, British Coal's operations director, said that Mr Scargill's suggestion that it had made no change to its position was "totally untrue." It had responded to all the points made by the NUM, he said.

Employers' pay move angers lecturers

BY DAVID BRINDLE, LABOUR CORRESPONDENT

A MOVE by the employers to break the deadlock in the long-running college lecturers' pay dispute has sparked a row both with the lecturers' union and among education authorities.

Mr John Pearman, the former Labour employers' leader, has accused the Labour-led negotiators of "a classic ploy used by Tory ministers [that is] contrary to the basic principles of good trade union and labour relations."

He refers to a decision by the the empolyers' leaders to publish and send to lecturers, via education authorities, a phased pay offer worth an overall 9.3 per cent.

Natfhe, the lecturers' union, said yesterday that it was not consulted or informed about the move. Mr David Triesman, its negotiations officer, said: "Any attempt to go over the heads or around the backs of trade unions will inevitably deepen a dispute."

Mr Pearman, leader of Wakefield District Council, said: "I believe unilateral action such as this will only inflame an already volatile situation."

Lecturers want a rise to keep abreast of schoolteachers and university dons. The offer, worth 7.1 per cent, is tied to changes in work practices so that colleges and polytechnics can offer more flexible training courses for industry.

Natfhe banned overtime in the past two terms and plans more disruption, possibly by trying to snarl up college administration as the academic year starts this autumn.

Mr Pearman is asking the main local authority associations to refer the dispute to Acas, the conciliation service. "Under no circumstances" will he allow the employers' leaflets to be circulated in Wakefield colleges.

The office of Mr Neil Fletcher, who succeeded Mr Pearman as employers' leader in the further and higher education sector, said it was extremely important that individual lecturers had access to full details of a "generous offer."

In a coup earlier this year Mr Fletcher also succeeded Mr Pearman as employers' leader in the primary and secondary schools sector.

Training call by civil servants

BY OUR LABOUR STAFF

CIVIL service union leaders yesterday disclosed a "horrifying" catalogue of violence against civil servants at work, including a CS gas attack against a benefit office, fire bombs, a rape and a murder in government establishments.

The Council of Civil Service Unions, representing 500,000 white-collar civil servants, called for urgent talks with the government on the problem, and demanded new training procedures be brought in

The CCSU revealed the level of violence claimed against staff following a seminar on the issue by all its unions which brought forward cases of violence in every government department apart from the Stationery Office.

A CCSU statement said: "At one extreme, civil servants have been murdered, raped, their offices fire bombed and wrecked. But it is an everyday occurrence that civil servants are abused and threatened, both at and away from work, simply because of the job they try to do on behalf of the govern. ment."

Though the CCSU did not want to disclose the names of individual civil servants involved, i tlisted a number of prominent cases: an unemployment benefit office in the north in which a disgruntled claimant sprayed CS gas on the staff; a fire bomb in a Leeds benefit office; a tax collector attacked with a hammer while working in London's Hatton Garden jewellery area; a rape of a staff worker at a DHSS custodial centre; a murder, some years ago, of a DHSS visiting officer.

Mr Charles Cochrane, CCSU assistant secretary, said the unions had bee nsurprised the violence was not restricted to deprived inner city areas.

Pension fund may quit SA

BY DAVID BRINDLE, LABOUR CORRESPONDENT

PENSION FUND trustees in membership of the GMB general union met yesterday to plan co-ordinated pressure on their funds to end investment in South Africa.

About 60 of the GMB's 170 fund trustees attended the Manchester conference, described by the union as the first of its kind.

Mr John Edmonds, GMB general secretary, told the conference that research carried out for the union had shown that British companies in expanding economic sectors were employing a disproportionate number of white workers in South Africa.

He said the unpublished research demonstrated that more whites than blacks had been employed between 1978 and 1983 by several leading finance and insurance companies and by at least one high-technology manufacturer.

Mr Edmonds said. "This blows apart the argument that black people will suffer most from sanctions and disinvestment."

The conference discussed criteria for identifying companies in which no investments should be made and the legal position of trustees advocating such a course.

● Unions representing employees of Racal Decca, a subsidiary of the Racal electronics group, are expected to propose an overtime ban to try to get the company to reverse its decision to have a two-year pension contributions "holiday."

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A tale of two currencies

AT FIRST sight, the US and Britain are just two weak-currency countries confronting the same dilemma with the same policies. Both have current account deficits (although on a vastly different scale) and have some reason to fear domestic over-heating and consequent inflation; and both have raised domestic short-term interest rates, stating that the reasons were domestic.

The results, however, have been very different. Sterling has been quite firm since the rate rise, and especially since the Chancellor went out of his way to say that he was prepared to use the reserves to support the rate. The dollar, however, rallied for only a few minutes after the half-point rise in the official discount rate yesterday. Dealers quickly concluded that half a point, which simply brings the official rate back in line with the market-determined Federal Funds Rate, was not enough.

It was probably not meant to be enough. The new Fed chairman, Dr Alan Greenspan, has maintained a studied silence since he took over from Mr Paul Volcker a month ago, but just before his appointment he was more outspoken. At a business conference in the US he gave his view that the dollar might have to fall another 10 per cent or more before a solid improvement in the current account could be achieved. The market has been trying to discover for some time now how far his views have changed since he became the official inflation fighter of the US; no answer has yet emerged.

Political demands

Dr Greenspan's private-sector views were based on his work as a respected economic forecaster; his official policies are now constrained by political demands. There are several reasons why the Administration may still welcome a decline in the dollar, provided that it can be attributed to the market. (British politicians, as older readers will remember, used to blame their troubles on the Gnomes of Zurich, who are no longer heard from.)

The first is of course that Dr Greenspan is not alone in thinking that a lower exchange rate will be needed in the end. Although there is now a satisfying rise in the physical volume of US exports, which can probably not be accelerated very much in the immediate future, the sheer scale of the improvement required in the US merchandise account is enormous.

Since the US will soon reach an overseas debt of some $1,000bn, in place of a large net asset position in 1980, the long-term aim must be not only to offset the current merchandise deficit, running at some $150bn, but to achieve a surplus of almost the same scale.

This will involve more than doubling export volumes, unless imports are sharply reduced. It would be the biggest transformation that had ever been imposed on a large economy, and would require an absolute assurance of long-term cost competitiveness to motivate the effort and the investment required. Japanese history shows that it can be done (and indeed that the habit can be hard to break); but it requires a complete change of outlook in US industry, which has traditionally concentrated almost entirely on its enormous domestic market.

That is the long-term argument for further depreciation; but there are also pressing short-term arguments, which are only too familiar. Protectionist sentiment is still strong in Congress, although the US task would be nearer to the impossible in a protectionist world; and the US's trade partners are seen as dragging their feet on policy co-ordination.

Capital losses

This argument, which goes back to the first dollar crisis of 1971, has never been resolved; both Japan and still more Germany seem to the Americans to rely on US willingness to borrow to keep their own economies afloat. The issue was crisply put by Governor Heller of the Federal Reserve: "If we can't grow together, we'll shrink together."

Failing any response to these demands, the Americans seem satisfied for the time being to let the central banks of their reluctant partners finance the US deficit through exchange market intervention — and probably to suffer large capital losses as a consequence.

A side-effect, oddly enough, is to provide more liquidity for the irrepressible world-wide bull market in financial assets. This has been taking a breather in recent weeks; but given the background of crisis in the Gulf, not to mention the first Japanese casualty of reckless corporate speculation, this must be seen as a pretty robust performance.

What remains clear is that it is still the massive inflows of capital through current account imbalances, amplified by exchange market intervention, which determine both exchange rates and equity market levels, and which also finance the consumer spending that is keeping the world economy reasonably buoyant.

Devaluation usually means higher profits, while a tight exchange rate objective constrains them; but it also means exchange losses for external investors.

On the eve of the slickest ever TUC Congress, **Philip Bassett** finds that the razzamatazz is just one of the signs that British trade unions are going the way of their US counterparts

In Brother Sam's footsteps

BACK IN the summer, the leaders of Britain's trade unions faced a ticklish choice. Charles Price III, the US ambassador in London, invited them to a reception at his elegant official residence in Regent's Park. But, on the very same night, they had also been called to sample the hospitality at the Soviet embassy in Hyde Park.

Formally, the Russians won. But, after downing the vodka, Mr Norman Willis, TUC general secretary, and other union leaders, slipped back to the US party to make sure that they mingled with the cousins as well as the comrades.

As trade union membership in the UK continues to decline, as the unions are further stripped of their national role and influence, as non-unionism surges, as de-unionisation starts (just about) to become a feasible option for employers, what looms large for unions in Britain is the example—both attractive and appalling—of trade unionism in the US. How far towards the American model are British unions heading?

Next week's 119th TUC congress in gaudy Blackpool will be its most Americanised yet. Last year's was a trial run: glossier, smoother than any previous Congress, the unions put on their best face for the coming general election. This year, with Labour's third successive defeat at its back, the planned sheen of next week's TUC event is all for itself, its members, and the public.

For the first time in TUC history, commercialism will not just be allowed, but positively encouraged. Instead of dull, grubby conference documents, each delegate will receive a slick, designer-guide to the Congress, filled with and funded by commercial advertising by companies and institutions keen to hit the union market.

That approach will be evident, too, in a Congress exhibition, in which companies, charities and other bodies will take —and pay for—stall display space, as they do at managers' conferences. Monday morning will see the premiere of a carefully schemed video promoting trade unionism, much on the lines of those now widely used by American unions. This method of getting the message across has been promoted by US union video specialists in a special presentation to the TUC leaders within the last 12 months.

All this comes against a background of recent advice from the TUC to unions on how to use advertising, opinion polls and video. Trade union promotion—hustling—is now the name of the game.

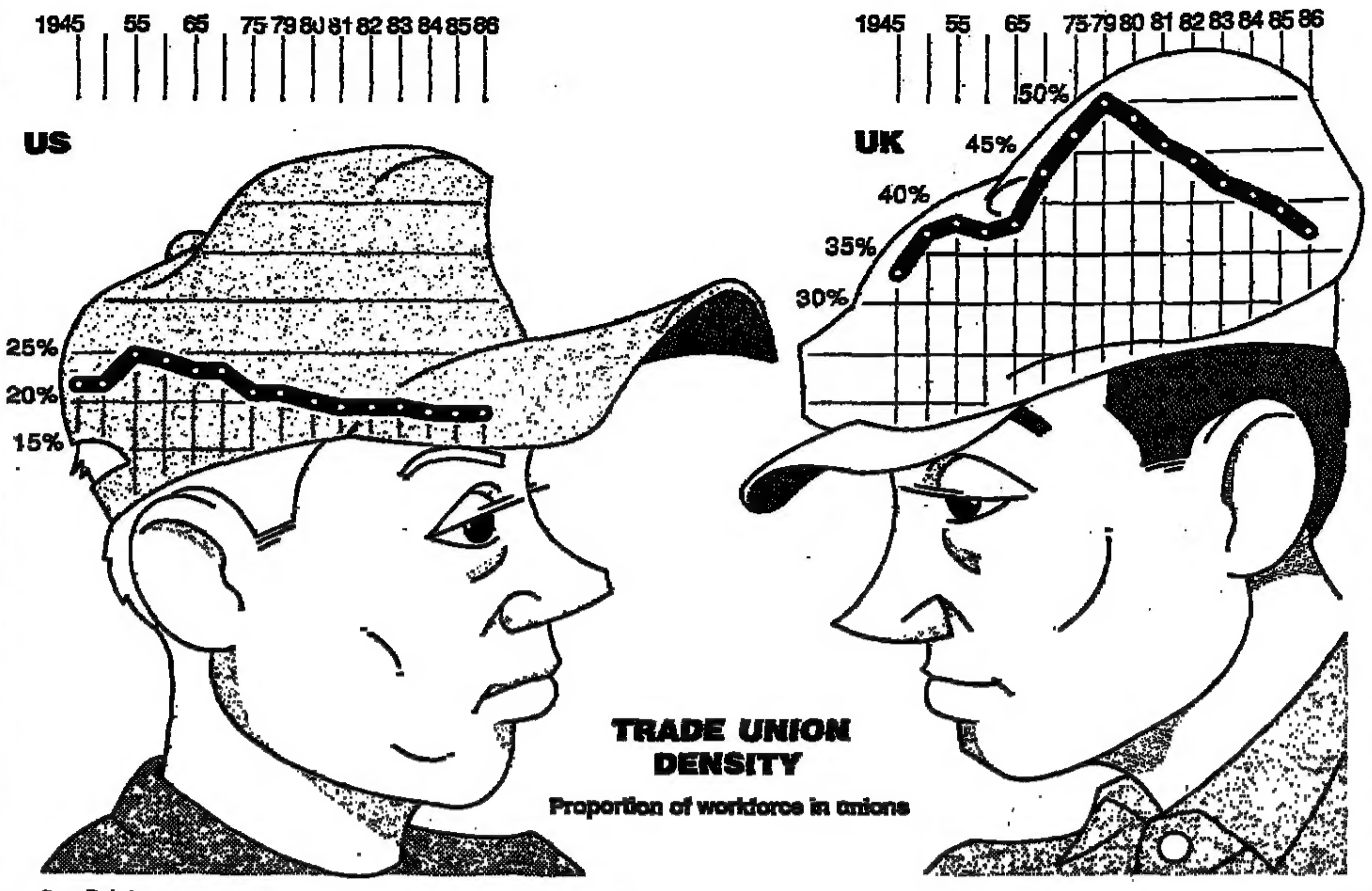
Unions in the US have been hustling for years. They have needed to: a new analysis in the Industrial Relations Journal, by Professor Ronald Miller of the University of Illinois, cogently lists the factors which have contributed to the decline of the American labour movement:

● Labour market: US employment projections show more women in work and fewer men; a continuation of the shift from manufacturing to service industries; more small companies; low technology, with resulting low skill requirements and low pay; little growth in blue-collar manual work, but an increase in white-collar jobs.

● Industrial and economic structure: there has been a continuing shift from the old industrial heartlands of the north to the sunbelt states of the south and south-west; a surplus labour supply in the older areas, prompting employers to push for change; government deregulation, leading to the widespread privatisation of operations and a sharp increase in competition; moves to de-unionise employees, even in places and industrial sectors which have traditionally been strongly unionised.

● Employers: greater professionalism among personnel managers, enabling the adoption of techniques to circumvent unions; increased willingness to deploy stringent labour laws; a move away from large companies to smaller units.

● Unions: highly fragmented, often leading to intense inter-union competition; variable resources, but tighter operating budgets necessitating more limited organising and recruitment drives; low membership in specific sectors, such as services and finance; any increases or consolidation of union membership mainly confined to the public sector; a lack of women at senior levels; public perception of unions as undemocratic, even corrupt.



Brana Radovic

For the first time in TUC history, commercialism will be not only allowed but encouraged

Two points stand out in all this. First—though some US commentators dispute it—the suggestion is that all these factors are inherently more likely to lead to lower levels of unionisation. And second, every one of these changes is happening in the UK.

In its labour market policies, the UK Government—invigorated by its renewed electoral mandate—takes much of US practice as its model: Lord Young, the Conservatives' previous Employment Secretary and still a highly influential voice on employment issues, openly admires the kind of relationships many US entrepreneurs have with their workforces.

Much of the impetus behind the Government's drive towards a more flexible labour market also has its roots in US-style ideas of enterprise. This increased flexibility is expressed numerically, through more variation in ways of working such as part-time and temporary labour, functionally, by abandonment of skill demarcations, and financially, in wider share ownership or by more closely relating pay to profit. The industrial relations models in the UK are now the entrepreneurial, non - union McDonalds and IBM, not the consensual, unionised ICI or Ford.

Even setting aside the overtly American approach of greater razzamatazz, much of what lurks behind the agenda for next week's TUC Congress is similarly American in tone.

Mr Willis has seized on the willingness to change, which follows Labour's electoral defeat and the upheaval in the labour market, to put forward a set of radical proposals for new union priorities which draw much of their inspiration from the US.

His notion of centrally co-ordinated organising drives in non-union sectors of the UK has been tried — and largely failed — in non-union parts of the US, such as the southern sunbelt. His idea of designated organising areas, giving individual unions a clear run at particular non-union companies for a strictly limited period, has been practised in America by the TUC's equivalent, the AFL-CIO.

Mr Willis sees unions in Britain sharply increasing the level and variety of services—financial, legal, social—on offer to members, suggesting that the combined power of the total membership be harnessed not towards aggregated industrial strength, but towards aggregated commercial clout. One example of this—again borrowed from the US—could be, he says, a union credit card, offering financial advantages to members.

More is on offer in the US, and has yet to be proposed in the UK. For example, some unions are beginning to offer "associate" membership to non-union employees. Workers who choose this arrangement can voluntarily pay partial dues, entitling them to a limited range of benefits. The advantage claimed by proponents of the idea is that such employees might be less resistant to trade unionism when organising drives are mounted.

There is nothing yet along these lines in the UK, though Mr John Edmonds, the highly respected general secretary of the GMB general union, has spoken consistently of the need for unions to move beyond sectional interests and appeal to and speak for all working people—in effect, regardless of whether they are union members.

So far, reactions have been mixed among British unions to the signs of growing Americanisation of industrial relations—witness the shift of personnel managers towards the mid-Atlantic "human resource management." One union, the EETPU electricians, has enthusiastically espoused the US-style "business unionism" model: trade rather than class-conscious, concentrating on core, insider terms and conditions at the expense of the peripheral outsiders, and prepared to ally with employers for pragmatic advantage. Few others have gone so far, but there are signs: for instance, the corporate redesign this year of the GMB by a company whose previous clients included retailers Next and sports car makers Lamborghini.

Members may be harnessed on the basis of commercial clout rather than industrial muscle

For some unions on the left, shifts by the TUC and some of its affiliates towards the American example are anathema. Mr Ken Gill, of the manufacturing union Tass, for example, views it as an abhorrent attempt to sell off principles which should not be for sale, though the projected merger of his union with the white-collar ASTMS is described by Mr Clive Jenkins, the latter's general secretary, as corporate in nature to match the complex corporate structures of multinational employers. Even the rigorously left-led public employees' union Nupe has put up a motion for debate on Monday which looks to improve the UK unions' image by professional techniques, such as a "major programme" of opinion research, and press and TV advertising.

What is notable for its absence is a bank of concerns traditional to British trade unionism. Where are the references to the "British disease," that readiness to strike and turn to militancy as the solution to employees' problems? Apart from an attempt by the TGWU transport union to clamp down on the EETPU's approach to business unionism, its strike-free agreements, the key clutch of policy resolutions on the TUC agenda relating to union organisation, role and structure make no mention of strikes.

The militant option is left to be expressed by Mr Arthur Scargill, the indefatigable president of the National Union of Mineworkers. His planned implementation of a ballot result in favour of action, short of a strike, over British Coal's disciplinary code threatens to hijack the TUC conference, unless conciliation talks defuse matters.

But though militancy may still be an option for the NUM, it is no longer a consideration for most unions. Apart from two motions from the Militant-led CPSA civil servants' union, no motion at all calls for industrial action to be taken by anyone, over anything. Campaigns, yes; public awareness, certainly. Strikes, no thanks.

The TUC is urging that the US example of the hard but sophisticated sell is one which unions in the UK should adopt. But this is clearly not without its dangers: it has not stopped the US unions' lengthy decline to the point where they represent only 18 per cent of so of the workforce. Mr Gavin Laird, general secretary of the AEU engineering workers, believes that if UK union membership —now at 37 per cent of the workforce—dips to 33 per cent or less, then it will inevitably slip further to match US unionisation levels.

Stopping the rot, then, is what next week's TUC Congress is about for the unions, finding a way to haul themselves off what may seem increasingly like a long slide towards oblivion. The decline of organised labour in the US has been a chastening experience for the unions there. The gamble for their counterparts in the UK is whether transplanted American methods will provide a way to prevent it happening here.

BOONE IS BACK. After two years of lying low, Mr T. Boone Pickens is once again harrying the Good Ol' Boys of corporate America. The small Texan with spaniel eyes who made hundreds of millions of dollars from savaging oil companies in the first half of the 1980s is back on the takeover trail.

This week, a partnership led by Mr Pickens proposed buying Newmont Mining, the large US gold mining and natural resource group, for $95-a-share or about $6bn (£3.6bn).

The proposal, made in a letter to the New York company's board, is known in Boone-speak as a bear-hug: a superficially "friendly" offer designed to embarrass the target company, get professional speculators into its stock and generally stir the pot. Whether he will move on to a hostile tender offer, with all the Boone paraphernalia of lawsuits, proxy fights and sermonising about stockholders' rights, has yet to be seen.

Wall Street doubts that he can finance an offer, but then it never believed he had the financial muscle so to terrify Gulf Oil in 1984 that the lumbering oil giant took refuge in the largest merger America has seen.

Is Newmont to be a golden Gulf Oil? It is said that many businessmen have only one idea. Boone Pickens's idea was a brilliant one. As he tells it in his memoirs*, on which he worked for most of last year, the idea came after the Fourth of July weekend in 1983.

He was 55. From modest beginnings chasing oil deals through Oklahoma and the Texas Panhandle in an old Ford, he had built his Mesa Petroleum into a successful, if chronically undercapitalised, independent oil company.

But oil prices were falling. Costs were rising. Oil was increasingly hard to find. Mesa was spending $500,000 a day drilling dry holes in the Gulf of Mexico. "In short, we had blown it," he says.

Mr Pickens decided to go drilling on Wall Street. Oil company stock prices were depressed because the companies were squandering their cash flow in equally unsuccessful exploration.

Man in the News

T. Boone Pickens

A good ol' boy in need of a fast buck

By James Buchan

Mr Pickens found his formula: pick an oil company where the stock market has underpriced the assets because of its low regard for management, buy into its stock, threaten the company with takeover, attack management for squandering stockholders' money on perks or self-aggrandisement. And sell out at a profit.

At the beginning, it was like shooting driven birds — and both Mr Pickens and his second wife, Bea, are excellent shots. When Gulf ran into the arms of Chevron, Mesa and its partners made $760m in profits.

Then things got tougher. Phillips, the Oklahoma company that gave young Boone his first job, mobilised against him as a corporate raider. From Phillips, he says he culled just $89m. He was widely thought to have lost money in his raid on Unocal, the West Coast oil company, in 1985: he says he made twice as much as from Phillips after tax.

The blood Mr Pickens drew caused a frenzy among the oil companies. The Gulf/Chevron merger was just one of several big combinations as more powerful oil companies stole Mr Pickens's idea. His populist attacks on the Good Ol' Boys — the corporate bureaucrats with their hunting camps and fancy aircraft — are now the corporate raider's stock in trade. His memoirs are just the best effort yet in a flourishing autobiographical sub-genre in which the raider, Mitty-like, humiliates the chief executive who spurned him at the country club and saves free enterprise.

Mr Pickens must take credit for reviving an overdue debate about the duties of professional management to company proprietors. Friends insist that his preaching is not a cynical smokescreen to conceal his self-enrichment. In a manner quite common in America, he is genuinely sanctimonious.

A man who tends to see things in black and white, he believes he is helping all stockholders, not just Boone Pickens.

"They want to make money," says Professor Michael Jensen, a leading academic who knows Mesa well. "But they have a clear sense of cause."

In fact, Mr Pickens is not that rich. Certainly not Wall-Street rich. His stock in Mesa is worth about $125m, but he freely admits to being deep in personal debt. He is still a drifter from the high plains, a fine poker-player "with ice-water in his veins" as one friend puts it, a Learjet cowboy who speculates in cattle, commodity futures or the Super Bowl.

Mesa is now primarily an investment partnership, run by Mr Pickens and a tight-knit group of financial wizards in their 30s, with some oil and gas production tacked on. But this production is not enough to pay the $2-a-share dividend Mr Pickens has promised his partners. Mr Pickens needs money. Mr Pickens needs Newmont.

Wall Street sees lots of similarities between Newmont and Gulf: a depressed stock price while the Pickens group was buying in and lots of free cash flow to buy it out again. "Generically, it is the same kind of deal as his involvement with the oil industry," says Prof Jensen.

What worries some of Wall Street is that it might end the same way as some of his tilts with Big Oil: in a pay-off.

Mr Pickens insists that he does not accept greenmail—the term coined for the premium paid by managements to get raiders off their stockholders' register. But the professional speculators who decide US takeover battles, the arbitrageurs, have not forgiven him for pulling out of Phillips so that its stock price tumbled.

The arbitrageurs are chary lest Mr Pickens do some sweetheart deal with Newmont, or the British and South African capital involved through Consolidated Gold Fields, its major shareholder. That is one reason why Newmont stock is trading well below $95.

*Boone, T. Boone Pickens, Jr. Houghton Mifflin 1987.

FOR THE FIRST time, in Montreal next week, the European Community will propose pre-emptive action on a potential—although still unproven—*environmental problem.*

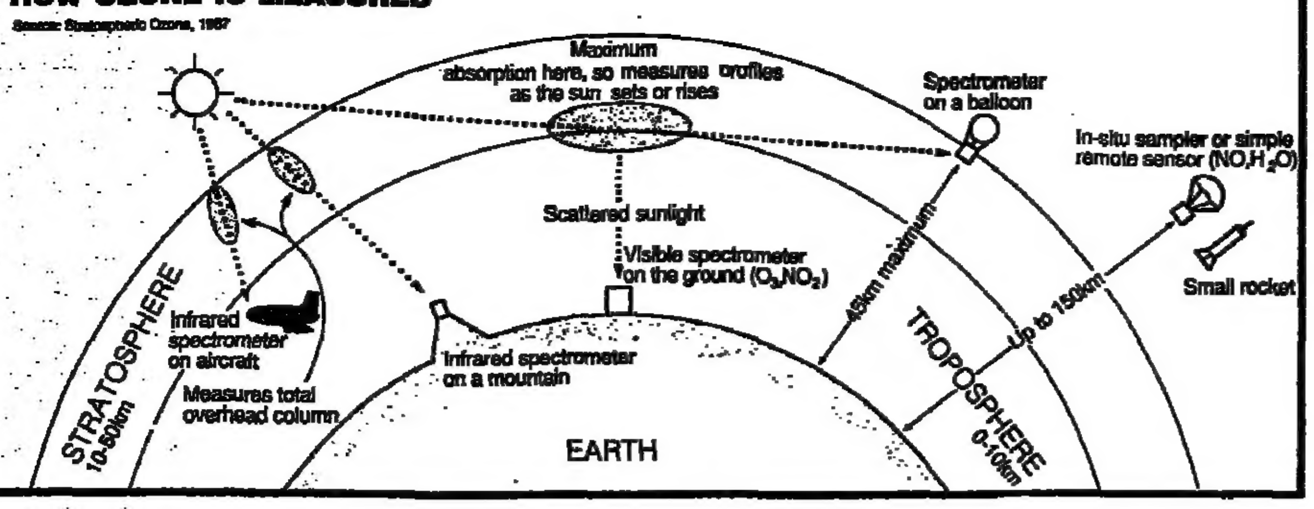
The occasion will be a meeting of the United Nations Environmental Programme, called to discuss a convention, drawn up in Vienna in 1985, for the protection of the ozone layer. The 12 EC nations will call with *one* voice for a freeze on the manufacture of chlorofluorocarbons (CFCs) at 1986 levels of production, to be followed by a reduction of perhaps 20 per cent.

No-one is sure whether CFCs are really damaging the atmosphere. Even now, US aircraft—including the U-2, the high-flying spyplane of the 1960s—are overflying Antarctica in some of the latest research into the issue. But British Environment Department officials are pleased that for once there is widespread agreement that something can and should be done to prevent matters worsening while scientists determine whether CFCs really are an environmental problem.

David Fishlock reports on problems with the ozone layer

HOW OZONE IS MEASURED

Source: Stratospheric Ozone, 1987



The case for a freeze in the greenhouse

What they fear is that CFCs—a man-made family of chemicals now widely used in more affluent countries—may be attacking the ozone in the stratosphere, 10-50 kilometres above the earth. We know that the few parts per million of ozone—a very active form of oxygen—present naturally in the stratosphere *have* a vital role in absorbing ultraviolet radiation from the sun. And any general increase in ultraviolet radiation reaching the earth owing to ozone depletion in the upper atmosphere could have dramatic consequences for all living things—not least people, where a rise in skin cancer is one of the most likely effects.

Ozone in the atmosphere is important for at least four different reasons. It shields life on earth from excess solar radiation. But in so doing, it also absorbs energy, so any big changes in its absorptive capacity will affect the circulation of the atmosphere and hence the earth's climate.

A third reason is that ozone in the troposphere is a "greenhouse gas." Like carbon dioxide, methane, nitrous oxide and CFCs, ozone strongly absorbs infra-red radiation, whether coming from the sun or radiated by the earth. Any change in infra-red absorption in this region of the atmosphere could have important climatic consequences on earth.

The fourth reason is the ozone at ground level, far from being the tonic of travel writers, is actually a toxon, damaging to human health and recently implicated in damage to forests in northern Europe and North America.

The first realisation that human activities might permanently damage nature's radiation shield came with a scare in 1971. It was suggested that exhaust gases from fleets of high-flying supersonic airliners might eat up the ozone. Official investigations in Britain, France and the US concluded that there was no real threat, even from the aircraft numbers projected for the mid-1970s.

The next scare postulated that CFCs wafted up to the stratosphere *might be decomposed* by the action of solar radiation, releasing free chlorine which would attack the ozone.

CFCs, at ground level, are highly reactive substances—one reason why they are so valuable. But by the same token they will hang around somewhere and there was reason to think they might accumulate in the stratosphere.

CFCs were first introduced in the 1930s, but the expansion in their use took place in the 1960s and production peaked in the early 1970s. Every time you squirt an aerosol deodorant or blob of cream, you release a CFC, which provides the propellant gas. Every time you crush a McDonald's takeaway carton you release a CFC, the gas used to form its insulating pores. Commercial refrigeration uses huge quantities of CFCs for the storage of food. The electronics industry uses them extensively as solvents.

In 1981 the UN Environmental Programme began to organise its Convention for the *Protection of the Ozone Layer,* which was finally agreed in Vienna in March 1985.

In a report just published, Britain's latest team of advisers, the Stratospheric Ozone Review Group, say general interest in the ozone layer and the possible threat to it from man's activities since 1984, has two main roots.* One is the need to support the convention's protocols with a proper basis of understanding "so that decision may be based on sound *science." As one Environment* Department official puts it, "our difficulties lie in distinguishing between fact, probability and speculation."

The other stems from new scientific reports which, the scientists say heighten fears. One such report puts forward the theory that ozone depletion could reach a point of sudden acceleration. Another paper reports the discovery of "holes" in the stratosphere over Antartica; vast areas in which ozone levels have fallen by up to 40 per cent over the past ten years.

The first unequivocal changes in the climatology of ozone have been observed in Antartica by British scientists led by Dr Joe Farman of the British Antarctic Survey, a research programme of the Natural Environment Research Council.

In 1985, Dr Farman reported a large region of the atmosphere low in ozone, which had developed in the early (Antarctic) spring. Then last year he reported a second, still bigger "hole" in the ozone. The discarded US satellite data then *yielded vivd pictures of* these regions of low ozone.

So the British are repeating the ground-based measurements made by the British Antarctic Survey last year. Also last month, a six-week international survey using aircraft for the first time began, taking measurements at every level of the atmosphere above Antarctica.

For high-level measurements, this international group are using an ER-2, developed from the U-2 spyplane, capable of flying through the "hole" at altitudes up to 20 km, carrying assorted sensors and detectors. At lower levels, they are using a DC-8 equipped mainly with upward-looking remote sounding instruments. Both aircraft are being flown from Puntas Arenas in Chile.

In a nutshell, these scientists have advised the government:

- That there is no significant change yet in the ozone layer
- That models predict a 1-3 per cent depletion by the year 2000;
- That there will be larger depletions at higher altitudes;
- They do not know the cause of the "Antarctic hole" but CFCs are likely to be involved.

The picture which emerges is of a very complex cauldron of chemistry, involving 50-200 different reactions governing the creation and breakdown of ozone. These are used to build a computer model against which direct measurements — such as those from the current flights through the new "Antarctic hole" — can be tested.

As far back as 1980 the European *Community* tried to agree a ceiling on CFC production among member-states. In fact, officials say, the EC "never even got near it." Nevertheless they are worried by some of the latest findings, not least of the "Antarctic hole"; and also by the fact that, worldwide, CFC production is rising again after falling significantly during the 1970s. They say there is general agreement that the 1980 restrictions are not enough.

But obtaining wider agreement in Montreal will not be plain sailing. The EC, which has seven producer nations, has had its own problems in agreeing a common line, and some countries, France for example are less enthusiastic than others. The Nordic nations which do not produce CFCs — although they use them — are keen to go further than merely curtailing production.

Again, any protocol agreed among present producer nations could open opportunities for non-signatories to encourage "CFC havens," from which CFCs could be exported to the main users as well as serving the aspirations of the developing world.

The fact is, at present there is no substitute for CFCs in their main uses, such as contact with food, where they are accepted as extremely safe. McDonald's has earned kudos for saying it will abandon CFCs in its takeaway cartons, but has not said when or how. It may take many years to demonstrate the safety of any alternative.

** Stratospheric Ozone. Report of the UK Stratospheric Ozone Review Group, HMSO, £9.95, 1987.*

Half a point may not hold the dollar

By Philip Stephens

"*THE DECISION reflects the* intent of the Federal Reserve to deal effectively and in a timely way with potential inflationary pressures" said the brief statement accompanying yesterday's ½ point rise in the US discount rate to 6 per cent.

There was no mention of the subject which has dominated financial markets for the last week — the dollar's renewed slide on foreign exchange markets.

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But if it was not explicit, the message from Dr Alan Greenspan, the new chairman of the US Federal Reserve, was clear enough. He was not prepared to take any more of a risk with inflation than his predecessor Mr Paul Volcker. By implication, the Fed could not be indifferent to an accelerating fall in the dollar's value.

Dr Greenspan, who will meet fellow central bankers from the other major industrialised countries for the first time at a meeting in Basle on Monday, had good reason to seek to establish his anti-inflation credentials early on.

Price rises in the US during the first six months of this year accelerated to an annual rate of over 5 per cent, up from just 1 per cent in the comparable period of 1986. US growth, running at nearly 3.5 per cent in the first half, has been faster than expected, diminishing the risk that higher borrowing costs could trigger a recession.

Against that background Dr Greenspan faced what had become a familiar problem to his predecessor—a falling dollar threatening both another upward *twist in prices* and a collapse of confidence in financial markets.

Since late last month the accord between the leading industrial countries which has kept the US currency relatively stable since the early months of the year has looked to be under serious strain. Well-timed intervention by the central banks took some of the pressure off earlier in the week. But the consensus in the financial markets was that the threat to the so-called Louvre accord would intensify in the run-up to the *gathering of key policymakers* in Washington at the end of this month.

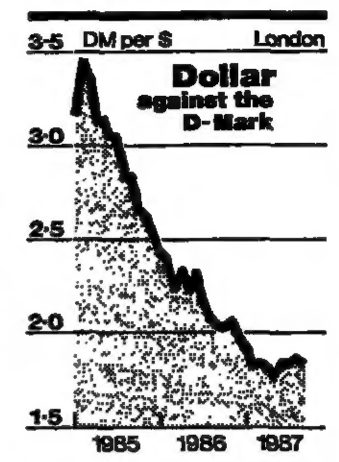
The tensions are already apparent: still-massive monthly trade deficits for the US, paralysis in Washington over further cuts in the US Budget deficit, and continuing sluggish growth in Europe.

The immediate cause of the dollar's latest bout of weakness was the realisation that there is little prospect in 1987 of a significant fall in the trade deficit from last year's 157bn.

That in turn has put a question mark over the core of the Louvre agreement—the public assertion by the US, Japan, West Germany, France, Britain, Italy and Canada that the existing pattern of exchange rates ws "broadly consistent" with economic fundamentals.

In simple language, the message in February was that the dollar's 40 per cent devaluation since its 1985 peak was enough gradually to erode the massive US trade deficit and the parallel surpluses in Japan and West Germany.

The underlying analysis, however, was always open to question.



Even at the time of the accord, a report prepared by a committee of *senior officials*—the oddly-named Working Party 3—was sceptical about the prospects for a sustained reduction in the trade *imbalances* without either much more radical policy action by governments *or a further dollar* depreciation.

The problem for the seven is that financial markets sense that since February the economic fundamentals have shifted even further in favour of a weaker dollar.

Governments have implemented some of the broader economic policy commitments designed to underpin currency stability. Japan's domestic growth rate has picked up considerably. West Germany's economy, though hardly sizzling, has pulled out of the mini-recession it experienced early in the year.

The nominal trade figures are also deceptive. There has been a significant favourable shift in terms of higher US export, and lower import, volumes; and at last the Japanese surplus shows signs of turning round.

Against that, the huge size of the initial imbalances has accentuated the J-curve effect of the dollar's devaluation—the improvement in trade volumes is being offset by the impact of more expensive imports.

Prospects for further cuts in the US *budget deficit — seen* as a key part of the policy package needed to underpin the dollar—are hardly auspicious. Although the deficit will fall sharply this year, perhaps to below $160bn from $220bn last year, an unlikely rapprochement between Administration and Congress will be needed to prevent it rising again in 1988.

The markets have concluded that the combination adds up to a weaker dollar. Taking a medium-term view, many senior officials inside and outside the US privately agree.

What yesterday's move by the Fed may have been designed to ensure is that the decline does not turn into a rout.

The US is frequently equivocal about its currency, needing to weigh the benefits of stability in terms of inflation and confidence, against the need for visible reductions in the trade deficit to stem the rising tide of protectionist sentiment in Congress.

Yesterday's rise in the discount rate suggests that the recent upturn in inflation for the moment has tilted the *balance in favour of stability.*

The markets, however, remain sceptical. The initial favourable reaction to the Fed announcement on foreign exchanges lasted barely on hour before the dollar resumed its fall. The general view among participants was that it would take much more than a ½ point rise in interest rates to persuade them that the US could or would seek to peg the dollar's value rather than simply brake its fall.

So even if the central banks manage to regain the upper hand, it may be a question only of buying time. Sentiment in financial markets that sooner or later the dollar will have to fall further does not look like going away. Perhaps the best that central banks can hope for —and what the US is secretly hoping for — is that such a decline will be controlled and orderly.

Letters to the Editor

Prosperity for the proles

From Mr A. Balfour

Sir,—Mr Stern (August 26) accuses Professor Simpson's analysis of being simplistic. Yet his own argument appears to be rather naive as judged by his most skilled choice of objective and fair evidence, notably the Guardian which, as we all know, is an unbiased, middle-ground newspaper! There is undoubtedly something to be said in favour of economic theories being debatable. But Mr Stern has based his entire argument upon factual inaccuracies.

It is simply untrue to state that Britain witnessed an economic growth anywhere near 3 per cent during 1948-1976. Had this been the case, Britain would not have lagged behind its European competitors as it so painfully did. In addition may I remind Mr Stern that it was his very Keynesian policies, applied continuously from 1970-1976 which brought Britain to its knees at the IMF. Mr Stern also quotes Sweden as the ultimate in economic success and full employment. May I remind him that Sweden was not exactly an active participant in the bankrupting activities of the Second World War, and that it certainly did not have to face the problems of restructuring faced by Britain. May I also invite him to glance across the North Sea (or even at a newspaper!) and discover that Sweden is suffering from sluggish growth and rising unemployment.

Britain on the other hand has largely restructured its economy. Mr Stern takes 1987 as an exceptional year, but Britain has had steady growth since 1982, in most cases close to the 3 per cent mark. In addition, Mr Stern might have noticed that Britain is one of the only countries in the OECD where unemployment is falling rapidly. The argument is simple; compare Britain's performance in comparison with the EC in terms of productivity and growth in 1976 and 1986. In 1976 Britain was the bottom performer, in 1986, the top; 1986 was not just an accident. There is a steady progression over the 10 years (if one takes 1979-82 as being more related to the world recession).

I would also like to comment *on his opinion of Keynesian* departments. I would not dispute that their grants have been withdrawn. But I would argue that the very fact that they have been unable to raise their own funds suggests that the business and economic worlds at large seem to have very little faith in them.

A final comment on Mr Stern's paragraph on "the proles." To begin with, I find this word insulting and feel that it should not be used if one is to achieve the aim which Mr Stern obviously favours. But Mr Stern's attitude is typical of some old-fashioned Britons. Rather than trying to heal class wounds by simply not thinking about class, he chooses to encourage a compensating force to snobbery, notably inverted-snobbery which inevitably turns the situation into enflamed class-conflict as advocated by the likes of Arthur Scargill. I might also remind Mr Stern that, if anything, Mrs Thatcher has encouraged prosperity among "the proles," if anything as a *political expedient.*

A. Balfour.
St Edmund Hall,
Oxford

Plain old measures

From Mr R. Footer

Sir,—What hope is there for the country if the top financial and technical daily recommends scales where "there are no fancy electronics, no messing about with metric measurements—good old Imperial measures rule the day" (How to spend it, August 29)?

If daily newspapers accept responsibility, that of the FT is clearly to encourage sensible, export-advantage, metrication for UK at every opportunity.

Ron Footer,
24 Bowford Avenue,
Bexleyheath, Kent.

Site value rating

From Mr R. Douglas

Sir,—James Buxton (August 28) describes graphically the hardships and administrative problems which will arise if the Government persists with its present proposals to introduce a local poll tax in Scotland. The sheer money cost is left to the imagination, but will certainly be enormous.

In the early years of this century, the great majority of Scottish MPs favoured a very different alternative to the *present rating system*—ie, the rating of site values. Legislation was only prevented by obstruction from the House of Lords.

The thinking behind this proposal was simple. Everyone would be paying exclusively for the benefit he was receiving—the state-protected monopoly over a part of the country. Nobody would be penalised for making good use of his land. There would be strong financial discouragement against anyone holding land out of use for speculative purposes—eg, office blocks kept empty in anticipation of rising land values. As the value of a site could not be concealed, assessment would be simpler and cheaper than under the existing system (or, *a fortiori*, under the new proposals).

The arguments for site value rating which were perceived by most Scots to be valid at that time appear equally valid today.

Roy Douglas,
26 Downs Road,
Coulsdon, Surrey.

Venture capital

From Mr S. Ryan

Sir,—The Cambridge researchers (August 25) drew attention to the *fact* that venture capital companies are generally speaking not interested in looking at proposals whereby they invest less than £250,000 because of the time-consuming procedures needed for weighing the future potential of the business. By implication, therefore, anything less than that sum cannot be made into a viable proposition. Why should it be, therefore, that an English clearing bank should be able to offer this service and make a profit out of it where others apparently have failed? *Many of our customers believe* their problems would be solved if their bank would only throw money at them, but that would hardly be a service to shareholders, depositors, bank staff or customers themselves.

S. M. D. Ryan.
472, Old Bedford Road,
Luton, Beds.

A strategy for electricity

From Mr P. Larkin

Sir,—Mr John Lyons (September 1) is mistaken in assuming that I "take it for granted" that by breaking up the CEGB, there would be competition in the generation of electricity. On the contrary, I was trying to make the point that there would be no chance whatever of market forces having any impact on the costs of power generation without such a step being taken.

By coincidence, a report *elsewhere in the same issue* would seem to support this argument. Max Wilkinson writes that the Electrical Power Engineers' Association (Mr Lyons' union) is opposed to the break up of the CEGB. It will tell the Government that "it will not allow private sector power stations to be operated with workforce numbers lower than those now established by national agreements."

It may be that private sector management will not wish to vary current manning practices but no union has the right to insist that there shall be no change, nor that negotiating arrangements appropriate to a monolithic monopoly shall apply to whatever new form the industry takes.

If the politics of the last eight years have had no other purpose, one of the objectives has been to reduce public sector unions' stranglehold over the economy. While this is not necessarily an objective of denationalisation, I sincerely hope that Max Wilkinson is wrong in suggesting that the unions' opposition may deter Cecil Parkinson from introducing whatever organisational changes are deemed appropriate for the future efficiency of the industry in private hands.

Philip M. Larkin.
86 Woodland Drive,
Watford, Herts

Completely unbundled

From Mr J. Powell

Sir, — In the new world of deregulation, stockbrokers' commissions and services have become completely unbundled. Your reporter (August 27) misses this point. The stockbroker's client has the option of paying whatever commission he can negotiate for the level of services he requires. If he is a fund manager, this must be consistent with his fiduciary responsibility to his client. Thus the stockbroker's client can pay for what he wants and not pay for what he does not want. Moreover, the amounts paid can be specifically quantified in relation to the services received and these amounts will be disclosed.

For example, if a client requires execution only, he can go to a stockbroker who could provide this basic service for one price. If, however, the client requires some additional service, such as ideas, research, client visits, briefings, etc, then the client may pay more under the proposed rules, provided the service is such that it can assist in improving the investment performance.

The soft commission stockbroker does not produce in-house research like a traditional broker, but rather contracts with an independent source to provide such service to his client in exchange for an agreed amount of commissions. The principle is similar to that of a traditional broker, but in fact is more clear cut because the commission cost can be directly related to the services given. Payment for the service is made directly to the provider of the service and not to the client. The net effect is not materially different from the traditional stockbroker assuming the cost of his in-house research from his commission revenue.

As for suggesting that by going to a market maker, the client may pay no commission at all, this is illusory. Market makers are not giving money away; their "commissions" are built into the net price. Surely the most explicit arrangement is one where the client sees the price of the stock, and also the exact commission he negotiated and how that commission relates directly to the level of service he has received — all as provided for under the SIB and SRO regulations, and all disclosed.

J. Andrew Powell.
Powell GRC,
16, Hanover Square, W.1.

Friends' Provident link up

From Mr M. Rittner

Sir,—Further to D. Tasker's letter (August 27) there are other disturbing elements in the Friends' Provident-Abbey National affair. In his letter to intermediaries, F. G. Cotton, the managing director of Friends' Provident, says: "With your support we have grown to be a major force in the life market and recognised as 'best advice' by any criterion. Abbey National, after researching the market and talking to other life companies, has recognised this and chosen to recommend us as best advice."

It is somewhat alarming to find the general manager of a major life office so to misrepresent the best advice principle as to imply that a tied-agent can, in any way, be represented as offering it. The whole point of polarisation is that a tied-agent cannot represent itself as offering best advice and for one major life office to assert otherwise is really most disturbing.

Already too many of the big players (banks, building societies and insurance companies) are trying to have the best of both worlds. It is time for SIB to blow the whistle on them.

Mark Rittner,
Cockspur Life and Pensions Consultants,
University House,
Lower Grosvenor Place, SW1.

UK COMPANY NEWS

IBC agreed £98m offer for Barham

BY PHILIP COGGAN

International Business Communications, business publisher and conference organiser, is making a recommended £98m offer for Barham, publishing, and financial services group.

The groups have publishing interests in common. IBC concentrates on specialist newsletters such as International Insider, the Euromarket weekly, while Barham has become best known for the investor tipsheets Fleet Street Letter and the Penny Share Guide.

Mr Michael Bell, IBC's chairman, sees substantial opportunities to cross-sell conferences and publications to the combined group's total of nearly 500,000 subscribers and delegates.

However, unlike IBC, Barham is involved in a wide range of fields, with publishing providing about 40 per cent of last year's pre-tax profits of £4.5m. A third comes from advertising and market research and the remainder is split between property services and typesetting. Last month, the group further expanded its range through the acquisition of the Hornbuckle Mitchell group of financial services companies.

IBC and Barham were both formed from shell companies. IBC reversed into the listed Irish engineering group, RTD, in November 1985 and since then has expanded rapidly by means of acquisitions, including those of Stonehart Publications and Banking Technology. On Tuesday, it announced a 138 per cent jump in interim pre-tax profits, to £1.9m.

Barham was formed when accountants Mr Norman Fetterman and Mr Tony Ward acquired a 54 per cent stake in Dollonds Photographic, which had earlier been known more colourfully as British Cinematograph Theatres, in 1983. The duo quickly sold off the photographic shops and expanded the group, thereby helping the shares to become the second best performers on the stock market that year.

However, the range of the company's activities caused some to criticise it for lack of focus.

Terms of the offer are 19 IBC shares and £9.85 in cash for every 18 ordinary shares in Barham. On the basis of last night's closing prices of 251p, up 16p, for Barham, and 200p, down 3p, for IBC, each Barham share is valued at 200p. There is a cash alternative of 250p a share and 130p for the preference shares.

The directors, who own 11.3 per cent of the equity, have undertaken to accept the offer, although they have not as yet indicated whether they will accept cash or shares.

Macarthy pays Guinness £43m for Drummond

BY DAVID WALLER

Macarthy, the pharmaceutical wholesaler and retailer, is to double its size through the £42.6m acquisition of the Drummond Pharmacy Group from Guinness, the drinks giant which is in the process of disposing of its non-core activities.

The acquisition is to be financed by a one-for-one rights issue raising a total of £51.5m, £8.8m of which will be used to cut borrowings. Subsequent to the deal, Macarthy will have a market capitalisation of approximately £100m.

"This fulfils a dream I have had for some time," said Mr Nicholas Ward, Macarthy's chairman and chief executive. Formerly head of Guinness' retail division, he was appointed to Macarthy 18 months ago after the intervention of a group of institutional shareholders. He has been negotiating to buy Drummond from his former employers ever since.

For the 15 months to the end of December 1986, Drummond made profits before interest and tax of £3m. Its net assets were £9.1m at the end of the year.

"This is clearly an expensive acquisition," said one analyst, "the exit p/e works out at 27. But it transforms the company and there will be very real synergies."

Despite the prospect of earnings dilution in the short term, Macarthy's shares rose 28p yesterday to 538p, well above the 400p price of the new shares.

Macarthy supported the call on its shareholders with a forecast that it would make pre-tax profits of no less than £5.5m for the year to October 3, compared with a profit of £6.1m in the 17 months to September 30 last year. The final dividend will be 7p a share.

Shares in Guinness rose 10p to 365p yesterday. It said it would use the sale proceeds to cut borrowings.

● Guinness has reached an agreement with Carlsberg whereby Guinness Ireland will assume responsibility for the production, sales and distribution of its brand in the Republic of Ireland.

Blue Circle up to £60m in spite of US price war

By Steven Butler

Blue Circle Industries, the large UK cement company, managed to boost pre-tax profits by 40 per cent to £59.7m despite a price war in the US. Profits at William Bros, its Atlanta-based subsidiary, were badly hit and plunged from $12m (£7.23m) to $1.2m.

UK operating profits rose from £12.4m to £31.1m, with the bulk of the increase due to a £10.4m improvement at Blue Circle Cement, where sales volume rose 5.1 per cent. Higher profits were attributed to a multi-year rationalisation programme and came in spite of a softening in cement prices after the termination of the Common Price and Marketing Arrangement in February.

Profits at Armitage Shanks, the bathroom and sanitaryware subsidiary, rose from £4.3m to £5.6m, and Blue Circle has identified this business as an area for development.

Operating profits from property development rose from £1.2m to £4.2m. Some 350 houses are to be completed this year, with 1,000 completions the target for 1989.

Group borrowings fell sharply from £394m at the end of 1986 to £179m at the end June, bringing down gearing from 42 per cent to 17.7 per cent. Reduced borrowing resulted in a drop of net interest payments from £17.7m to £10.2m.

The drop in borrowing came from a disposal of overseas subsidiaries, and Blue Circle will use the cash to provide working capital for property development and other UK operations.

Operating profits from the US fell from £23.1m to £13.1m. Some £900,000 of the decline was due to currency movements, and nearly all the balance because of the Atlanta price war.

The situation was caused by an eight to 10 per cent contraction in the market following several boom years that had attracted a number of smaller operators to the market. Sales at Williams, the largest supplier in the market were off about 1 per cent, while prices fell by about 10 per cent.

"Our policy is to meet the competition and not allow a fragmentation of the market," said Mr Poole. The market was not expected to improve substantially until the spring of 1988.

Earnings per share at Blue Circle rose from an adjusted 12.7p to 17.3p, and an interim dividend lifted from 3p to 5p. Below-the-line figures were boosted by £69.4m of extraordinary items owing to the sale of assets.

See Lex

Clay Harris on the background to Ladbroke's takeover of Hilton International

Making an offer that couldn't be refused

NEITHER Ladbroke Group nor its chairman is famous for modesty, but Mr Cyril Stein's description of his company's $1.07bn (£645m) acquisition of Hilton International as a "coup' 'was nothing short of the truth. Ladbroke and its merchant bank, Charterhouse, knew that Allegis Corporation, US parent of United Airlines and Hertz as well as Hilton, wanted nothing more than a certan sale, tied up without any possibility that the hotel chain's chequered recent ownership history would be repeated.

The last thing Allegis wanted, embarked as it is on a radical disposal programme to fend off predators, was to find itself in the same position as TransWorld, the former TWA parent, late last year when an agreed sale of Hilton to KLM was blocked by the Dutch airline's supervisory board. Allegis bought Hilton in April but decided in June to sell it.

Ladbroke and Charterhouse played on these fears to the full, and mobilised the arcane rules of London capital markets as well, when they told Allegis and First Boston, its adviser, that it was Thursday or never for the British company's bid.

More than slightly confident of eventual success, Charterhouse several weeks ago had booked a position for yesterday in the Bank of England's rights issue queue. If this had to be given up, Ladbroke warned the Americans, who knew when another chance might come along?

This brazen approach reflected Ladbroke's determination to win Hilton this time, having placed third or fourth in the December auction. Mr Stein had not been swayed from his original conviction that Hilton's 90-plus hotels in 44 countries provided an unparalleled opportunity for Ladbroke to break into an entirely new world league.

The confidence that this view would be widely shared made Ladbroke willing to test London market sentiment with its second large rights issue in six months. The latest one-for-five cash call will raise £254m to add to the £294m net proceeds of the three-for-10 issue in April.

Although Ladbroke claimed to be willing to back its long-term judgment against any short-term market qualms, this turned out not to be necessary as its share price (slightly softened by last week's disclosure of the desire to buy Hilton) added 2p to 441p yesterday.

Ladbroke was able to offer cash on the nail by arranging a dollar-borrowing facility with banks led by Barclays and National Westminster to cover the full $1bn-plus purchase price. The rights issue proceeds, slightly delayed by the secrecy surrounding the deal, are committed to paying down this debt.

Ladbroke's long attention to Hilton was illustrated by its immediate plans to divide the combined group's hotels into three tiers — luxury Hiltons (including some of Ladbroke's top properties), a new brand of Hilton Inns (provincial four-star hotels) and Ladbroke hotels which do not fit into either category.

Of the 91 hotels operated by Hilton, it owns 44, partly owns another 14 and has management contracts for the remaining 33. Yesterday's deal also includes a renewable 20-year contract to operate the Toronto Westin, owned by another Allegis subsidiary.

Stating, characteristically, "the Hilton name is synonymous with hotels," Ladbroke is clearly determined to squeeze every advantage out of it. Marketing efforts are likely to make more use of the exclusive right to the name outside the US. The Hilton Inn name will be franchised within Europe.

Hilton expects to raise £40m through the sale of about 10 provincial hotels which do not fit into the new structure. Mr John Jarvis, the Ladbroke director who will take over executive responsibility for the enlarged hotels operation, said yesterday that there were no immediate plans to sell any London hotels.

But if this changes (perhaps because intra-group deals fail to materialise), disposals could not come at a better time for a seller as asking prices for even run-of-the-mill London properties have soared to £80,000 to £90,000 a room. Some hotel-hungry UK groups would not be able to pass up the opportunity.

One which does not hide its interest is Pleasurama, which is seeking its first London hotel of between 100 and 300 rooms. Mr Nat Solomon, chairman, blanches at the going prices, but feels that his group's proposed takeover of President Entertainments, the marketing-led restaurant company, makes it feasible.

Mount Charlotte Investments, which has already spent heavily on London hotels this year, may be less interested in Ladbroke's portfolio but Mr Robert Peel, managing director, praised the Hilton deal: "It is exactly the kind of thing we would have loved to do if we were that much more mature and bigger."

Ladbroke's hotel operations achieved pre-tax profits of £27.2m (27 per cent of the group total) on turnover of £121m in 1986. Hilton last year saw pre-tax profits fall by 21 per cent to $47.6m on revenues of $754.5m.

Although Ladbroke expects to achieve significant benefits through economies of scale and to broaden Hilton's appeal from its traditional reliance on US tourism, its hotel operations can never be divorced from the underlying property assets.

With out exception, Ladbroke is not interested in hotels which do not show capital gains as well as trading profits. This is one reason it has avoided North America, even to the extent of selling the Rodeway Inns motel franchise operation for $20m in June.

Ladbroke will revalue Hilton's hotels after the acquisition is completed. Hilton's latest reported net assets of $197.3m considerably understated the underlying value, it said, because hotels were carried at cost less accumulated depreciation, according to US practice. The figure also did not take account of long-term management contracts.

Mr Jarvis will relinquish his executive responsibility for Ladbroke's Texas Homecare DIY retailer, to be succeeded by Mr Keith Edelman, another Ladbroke director. Mr Michael Hirst, Ladbroke hotels managing director, will also join Hilton.

Mr Helmut Hoermann will remain as Hilton's president and chief operating officer, and Ladbroke praised the "wealth of management resource" in the acquired company.

John Jarvis—From Texas to Hilton.

OTHER SALES BY ALLEGIS

Hilton is one of three main operations which Allegis has been seeking to sell to return to its core business as operater of United Airlines, writes Gordon Cramb in New York. The Westin hotel chain and Hertz car rental network are also expected to go for $1bn or more.

Hilton had attracted the attention of other airlines, with Lufthansa and Texas Air among those reported to have been interested. The deal with Ladbroke thus excludes the possibility of a sale to a competitor which might fare better in putting together the initial Allegis vision of an integrated travel services group.

Allegis is also aiming to unlock cash from its airline side, possibly by selling an interest in Apollo, its reservation system which is being taken as the model for a European venture linking United with British Airways, KLM (another former Hilton suitor) and Swissair.

The Chicago-based group meanwhile remains under pressure from its pilots' union which would like to take the airline private in a highly-leveraged buyout.

US problems hit Sedgwick profits midway

BY ERIC SHORT

Sedgwick Group, major international insurance broking group national insurance broking group, has reported a 12.5 per cent fall in pre-tax profits at the interim stage, from £92.8m to £81m.

Earnings fell from £57.5m to £52.8m, the earnings per share dropping from 12.4p to 15.6p.

An unchanged interim payment of 4p per share has been declared.

Revenue rose by 8.4 per cent from £330m to £357.7m, while expenses for the period were 17.5 per cent higher at £28.1m, against £236.7m.

The figures include contributions from the US acquisitions made in the second half of 1986. Adjusting for that, revenue rose only 2 per cent, while expenses were 11 per cent higher and earnings per share fell by 20.5 per cent.

Overall trading was hit by a number of adverse factors, particularly in the US.

Premium rating levels have been falling, especially for US property insurance, and this trend is continuing. Mr Carel Mosselmans, chairman, admitted that the speed of the decline had not been expected and had put pressure on profit margins.

In addition the recession in the oil and gas industry, in which Sedgwick has a major involvement, has now hit the main operators.

The reinsurance business was hit hard by the senior staff defections from Sullivan Payne and the shortage of capacity in London and the international reinsurance markets.

The weakness of the dollar had also had an impact on profitability, though the hedging policy mitigated the losses.

Pre-tax profits from the US fell from £28.6m to £16.7m. The drop is even sharper if last year's profit is adjusted. Profit from the UK held up well, falling from £50.1m to £49.5m.

● **comment**

Sedgwick's interim figures were disappointing, but not wholly unexpected. Everything seems to have gone against the group during the period particularly in the US. The next downturn in the US insurance cycle has gone quicker and more sharper than expected and the timing of Sedgwick's expansion in the US may be questioned. The group has to step up its revenue growth rate and make a concerted effort to cut back its expense growth. There seems little prospect for the former to happen during the rest of this year and the expense reductions seem to be taking the form of a reduction in staff numbers and moving people out of London. Prospects for 1987 look gloomy, with at least a 15 per cent drop in pre-tax profits to £115m—prospects that are reflected in the 14p drop in share price to 290p.

City of Oxford in agreement with OCF

City of Oxford Investment Trust, the £20m fund managed by Mr Fred Carr, a director of stockbrokers Capel Cure Myers, announced yesterday that it has come to a peaceable agreement with its Antipodean shareholder, Overseas Corporate Funds.

Two representatives from OCF, including Mr Geoffrey Hill — formerly chief executive of Morgan Grenfell Australia and chief executive of OCF — will join Oxford's board. OCF will then "support" the board with its current 25 per cent holding, and guarantee not to raise this beyond 29.9 per cent for 12 months. OCF is a recently-floated, Sydney-based investment company.

Photax reorganisation begins

THE REORGANISATION of Photax (London), announced when John Ferguson became executive chairman in March, has begun. The maker and importer of photographic equipment is making two acquisitions and a deeply discounted rights issue and proposing to become a holding company and change its name to Arley Holdings.

The company also announced a cut in its interim pre-tax losses from £161,000 to £54,000. On turnover for the first half of 1987 up at £2.79m (£2.58m) there was an operating profit of £4,000 (£114,000 loss) but there were interest charges of £58,000 (£47,000).

The loss per share came out at 4.9 (9.4p) and again there is no interim dividend.

Martin and Field, maker of pressed metal components for the motor industry, is being bought for £3.75m satisfied by £2.25m cash and the issue of £1.5m shares.

Flaskend, which operates through two offshoots, Photo Technology and Test Papers, is being bought for a maximum of £825,000. There is a minimum consideration of £300,000, satisfied by the issue of 300,000 shares and further profit-related payments met by the issue of £300,000 of A loan notes and £225,000 of B loan notes.

Photax intends to raise £500,000 and will issue the shares at 100p on the basis of 1-for-4. The shares were 280p when they were suspended in July pending an announcement. The funds will be used to meet the expenses of the acquisitions.

Directors said it was intended to create a broadly-based holding company based on the existing activities of the company and the two purchases.

Two Bestwood deals cost £15m

BY DAVID WALLER

Bestwood, the investment and property services group, is to buy two private companies, a property developer and a civil engineering contractor, for a total of £15.43m, payable in a mixture of shares and cash raised from a vendor placing.

Furlong Brothers (Construction) is a Walthamstow-based residential property developer; Furlong Brothers (Chingford) is a civil engineering contractor specialising in the construction of roadways and carparks.

The vendors have warranted pre-tax profits of £2m for 1987, £3m for 1988 and £3.75m in the following year. They will receive an upfront payment of £7.5m, £2m in shares, and the balance in two annual tranches of £4m in shares if the profit forecasts are met.

Bestwood's equity will expand by 16.2 per cent at once. There will be a claw-back facility for existing shareholders wishing to subscribe for the shares provisionally placed at 124p, against 133p yesterday, down 4p on the day.

Bestwood yesterday announced pre-tax profits of £988,000 for the six months to June 30, against a restated £947,000. Trading profit amounted to £1.89m (£1.43m), and central costs were £606,000 (£411,000).

New Guernsey heads for market with £2m price tag

BY FIONA THOMPSON

New Guernsey Securities Trust, a Guernsey-based investment trust, has published the prospectus for a placing and an offer for subscription which will bring it to the stock market with a capitalisation of £2m.

New Guernsey's aim is for capital growth by investing in medium-sized listed companies which specialise in a particular industry or service sector. The plan is to invest 70 per cent of the assets in sterling securities, with the balance mainly in North American markets.

About 2m shares are being offered at 100p each. Of these, 1m have already been placed. The issue has not been underwritten.

Dealings in the shares will begin on September 28. The brokers are Laurence Prust. Framlington Investment Management, a wholly-owned subsidiary of Framlington Group, is acting as investment adviser to New Guernsey.

Framlington Group is a fund manager which was set up by partners of Laurence Prust in 1969. Four of the five directors of New Guernsey are directors of Framlington Group subsidiaries.

Fears over foreign stake in R-R

By Richard Tomkins

The number of foreign-held shares registered in Rolls-Royce, the newly-privatised aero-engine maker, has reached 11 per cent compared with a maximum allowable level of 15 per cent.

The figure will reinforce fears among foreign shareholders that the total number of shares in overseas investment hands has breached the ceiling. The actual level will not be known until the share register is compiled following the payment of the second instalment on the share price later this month.

Rolls-Royce reminded shareholders yesterday that the second and final instalment of 85p per share must be paid by September 23.

Over 1m register for BP share information

BY MAX WILKINSON

MORE THAN 1m people have registered their names with the British Petroleum share information office in preparation for the forthcoming sale of the Government's £6bn stake in the company.

The BP share information office said that inquiries about the sale, which will be wrapped up with a £1.5bn rights issue by the company, were running at about 100,000 per day.

Mr Anthony Alt, director of N. M. Rothschild, the Government's financial adviser for the sale, said yesterday: "This is the heaviest response yet by the public to a share offer. Our aim to to ensure that millions of people can gain meaningful amounts of shares."

The Government has decided to give preference to smaller shareholders, even though the company would have preferred a large part of the issue to go abroad or to financial institutions. BP may find it inconvenient to have to deal with millions of small shareholders in the future. However, the aim of extending share ownership was more important.

Details of how the offer is to be structured have yet to be announced. The structure has been the subject of some negotiations between the company and the Government, particularly in relation to the terms of "clawback."

This will determine the amount by which overseas allocations are to be reduced in the event of strong over-subscription from private UK investors.

Falmouth to get fillip as part of de Savary deal

By Philip Coggan

Mr Peter de Savary, the businessman behind Britain's recent attempts on the America's Cup yachting trophy, yesterday announced his plans to revitalise the Cornish port of Falmouth as part of a complex deal in which oil exploration company Highland Participants is taking over the listed ship-repairer A. and P. Appledore Group.

A & P Appledore owns a half share in the port and Highland will also acquire the other 50 per cent stake currently held by Bellway. Mr de Savary, who will become chairman of the enlarged group, has high hopes that Falmouth can be transformed into a major port.

Highland Participants is offering 144 of its shares, which are currently traded under the Stock Exchange's Rule 535(3), for every 100 in Appledore, valuing the group at £13.9m. As a condition of the deal, Highland is applying to have its shares listed in the Unlisted Securities Market and it currently hopes to join the USM via an introduction in two months time, with a likely value of about £40m.

The directors of Appledore and others who own 25 per cent of the equity have irrevocably agreed to accept the offer. There is also a cash alternative of 300p per share. News of the bid caused Appledore's shares to leap 135p to 410p yesterday.

Mr de Savary bought into Highland in July and is injecting a further £3.1m in the current deal, which will leave him with 21 per cent of the enlarged group.

Hampton Trust receives approach

Hampton Trust, the property and gold mining investment company, yesterday alerted shareholders that it had received an approach which might lead to a 120p-a-share bid. At this price the company is valued at £100m.

The identity of the possible bidder was unclear although brokers believe that the cash nature of the bid suggested that a foreign party, possibly Australian, could be involved. The Shohet family, with 19 per cent and two members on the board are not believed to be involved in the bid.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding div	Total for year	Total last year
Armitage Bros.	2.5	—	3.5	4.5	3.5
Blue Circle int.	5	—	3*	—	11.5*
Andre De Brett‡	Nil	—	0.25	Nil	0.25
City & Com. Inv. T. int.	2.65	—	2.45	—	5.11
F. Copson	1.75	Oct 9	1.75	1.75	1.75
Elys (Wimbledon) int.	1	—	1	—	10.5
Epwin‡ int.	1.6	Oct 28	—	—	—
Gibbs and Dandy int.	1	Oct 23	—	—	2
Kleinwort SC I. T. int.	3.35	Nov 3	3.05	—	9.2
Second Alliance	14	Oct 16	12.5	21	18.5
Sedgwick Group† int.	4	Oct 23	4	—	12

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡USM stock. § Unquoted stock. ¶ Third market.

COMPANY NEWS IN BRIEF

MARINEX PETROLEUM'S shares were suspended yesterday at the company's request pending disclosure of full details of its proposed acquisition of a private oil exploration and development company.

MARKHEATH, the property company in which Australia's Adelaide Steamship has a major stake, yesterday reported an increase of 1.34 per cent in its holding in the ordinary voting shares of inks group Coates Bros, taking the total to 15.6 per cent. In addition, Markheath holds 25.97 per cent of Coates' non-voting ordinary shares.

CITY & Commercial Investment Trust: Net asset value £16.58 (£12.53) per capital share at July 31 1987 after deducting the income shares at their nominal value; interim distribution on income shares 2.649p (2.446p); and gross income £942,000 (£913,000) in the six months to end-July.

KLEINWORT Smaller Companies Investment Trust: Net asset value per 25p ordinary share 701.3p (360.5p) at end of six months to July 31 1987. Total income £382,000 (£348,000) and interim dividend 3.35p (3.05p).

MEMCOM INTERNATIONAL has taken a majority interest in Systems and Business Consultants, which is involved in recruitment and training.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price	+ or −	Net. Div.	Times Cov'd	Gross Yield	P.E. Ratio
§110	F.P.	18/9	121	111	Adscene	113	......	L2.5	1.9	3.0	25.9
245	100	28/8	147	130	BAA	137	......	L6.6	2.4	3.2	17.6
¶¶	F.P.	—	84	65	BHP Gold Mines A$0.25	74	−1	—	—	—	—
80	F.P.	—	108	85	*ChemEx. Intl.	86	+1	—	—	—	—
§50	F.P.	9/9	93	68	‡Corp. Estates Props. 5p	81	......	L0.75	2.4	1.2	45.3
170	F.P.	28/8	230	205	Debenham Tewson 5p	225	......	L3.25	2.3	1.9	30.7
100	F.P.	—	114	109	Fst Spanish Inv. Tst. Units	112	−2	—	—	—	—
‖‖	F.P.	—	118	100	‡Guidehouse Grp. 1p	102	......	—	—	—	39.2
‖‖	F.P.	—	100	75	Do. Warrants	75	−2	—	—	—	—
¶¶	F.P.	—	383	321	Hogg Robinson PLC	321	......	R4.0	2.7	1.7	29.4
§140	F.P.	26/8	215	180	Kingsgrange 10p	188	+1	u2.25	2.6	1.6	28.5
§100	F.P.	—	145	108	Kingston Oil & Gas 50p	117	+1	—	—	—	—
92	F.P.	—	126	116	*Leading Leisure	125	−1	0.9	3.1	1.0	36.4
100†	F.P.	—	143	115	*Medirace 10p	143	+3	—	—	—	—
—	F.P.	—	98	55	Moorgate Inv. Warr.	95	+2	—	—	—	—
§110	F.P.	4/8	281	185	‡Parkway 5p	255	+4	R1.5	4.2	0.8	40.2
§10.58	F.P.	—	$17½	$15	Portugal Fund $0.01	$17½	......	—	—	—	—
	F.P.	26/8	118	93	‡Rural Planning 3p	95	......	R1.6	2.9	3.1	19.2
§63	F.P.	31/7	89	73	‡Shelton (Martin) 10p	77	......	u1.75	2.3	3.2	18.5
—	F.P.	—	118	109	Singer&Fr'dlander 10p	109	......				

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price £	+ or −
‖	F.P.	30/11	105p	101p	Capital & Counties 5¼% Cnv. Prf.	104p	−1
100	F.P.	—	99½	97	Chesterfield Props 5¼pc Cr. Cm. Prf.	99½	+1½
¶¶	F.P.	—	145p	130p	Merlin Intl. Cum. Red. Cnv. Prf.	145p	+9
—	F.P.	—	100	99	Nationwide 10% Bds 1/8/88	99¼	......
—	F.P.	—	100⅛	99⅝	Do. 10⅛% Bds. 22/8/88	99⅞	......
—	£25	11/11	25½	12¼	North Housing Assoc. 8¼% Gtd.Ln.2037	13⅝	......
—	F.P.	—	270p	200p	Do. Zero Corp. Ln. 2027	205p	......
‖	Nil	25/9	3pm	2pm	Yaheshua Inv. 9% Cnv. Uns. Ln. 1992	2pm	......

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price p	+ or −
330	Nil	9/10	40pm	22pm	Cannon St. Invs. 20p	27pm	......
810	Nil	9/10	42pm	7½pm	Capital & Counties Unit	10½pm	......
37	Nil	19/10	29pm	23pm	Common Bros. 1p	23pm	−1
50	Nil	7/10	162pm	138pm	Conrad Hldgs.	154pm	......
32	Nil	23/10	98pm	91pm	Downiebrae 10p	96pm	+1
90	Nil	21/10	36pm	26pm	Excalibur Jewellery	28pm	−6
182	Nil	—	2pm	¼pm	FKI Electrical 10p	¼pm	−1¼
90	Nil	15/9	14pm	5pm	Goal Pet. 5p	13pm	−½
190	Nil	16/9	28pm	20pm	‡Goodhead Print 20p	20pm	......
57	Nil	16/9	7pm	3pm	Kellock Trust 1p	7pm	......
45	Nil	23/9	2¾pm	¼pm	Norfolk Capital 5p	¼pm	−¼
400	Nil	2/10	535pm	500pm	Owen & Robinson 5p	535pm	......
65	Nil	14/10	43pm	30pm	Paul (M) Leisure 5p	36pm	+1
184	Nil	16/10	23pm	13pm	Robertson Research 10pm	18pm	−2
110	Nil	5/10	7pm	4pm	‡Rockwood Hldgs 10p	6pm	+2
—	Nil	—	8pm	5pm	Singer & Friedlander 10p	5pm	−3
140	Nil	2/10	32pm	26pm	Stanley (A.G.) 5p	32pm	+4
35	Nil	6/10	7½pm	2½pm	Tellex 5p	7½pm	......
65	Nil	30/10	48pm	38pm	Upton (E.)	42pm	......

Renunciation date usually last day for dealing free of stamp duty. a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. F Dividend and yield based on prospectus or other official estimates for 1986/7. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and p/e based on latest annual earnings. q Earnings based on preliminary figures. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma Figures t Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖‖ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖‖ Allotment price. ‡ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement. ‡ Placing and offer for sale price. * Third Market. † Issued in £2 Units comprising 2 Ord Shares & 1 Warrant. (Exercisable at 50p into 1 Ord.)

APPOINTMENTS

Hill Samuel Shipping restructured

Mr Michael Steele has been appointed chief executive elect of HILL SAMUEL SHIPPING HOLDINGS, a division of the Hill Samuel Group. He will succeed Mr Michael Toogood—the current chief executive—on his retirement in early 1988. The company has restructured its operation. Business will be divided between Europe and Asia. Captain John Dodsworth, who was chairman and chief executive of Escombe Lambert, has become managing director for operations in Europe and the Americas, while Mr Peter Cowling, a director of Wallem & Co, has become managing director for Hong Kong and the Far East. Capt Dodsworth will be based at company headquarters in London, and Peter Cowling will be based in Hong Kong.

To reflect the co-ordinated geographic approach a new name, Wescol International Marine Services (WESCOL), has been adopted. The new name has been built from the major subsidiary company names of Wallem, Escombe, Cleaves and Lambert. WESCOL will be managed by a central executive committee comprising Mr Steele, Capt Dodsworth, Mr Cowling, Mr John Spruyt (director of marketing and planning), and Mr Clive Burton (director of finance and personnel). None of the subsidiary companies will change its name.

★

TOD has appointed Mr M. Hinde and Mr C. A. Young as directors. Mr Hinde will be responsible for the Westbrick Plastics division, where he was formerly managing director of its Anmac division. Mr Young joins as finance director from Stone International where he was group financial controller. Mr A. F. Baillie has resigned as a director of Tod, but remains within the group with specific responsibilities as managing director of Brensal, a division of Westbrick Plastics.

★

Mr Charles Latter, distribution manager, and Mr John Hartwright, general manager, have been appointed to the board of H. SAMUEL.

★

Following completion of a private subscription Mr P. J. de Savary will own 1,498,500 ordinary shares in HIGHLAND PARTICIPANTS, Mr R. A. F. Lascelles 166,666 ordinary shares, Mr A. A. D. Montague Browne 7,000 ordinary shares and Charterhouse Bank 233,333 ordinary shares; these holdings will together represent 29.73 per cent of the enlarged issued share capital. Mr D. J. Donnelly has decided to step down as chairman but will remain a director. The board has appointed Mr de Savary as chairman. Mr T. C. Mordaunt has become an executive director and Mr D. K. MacMichael will be resigning. Mr Lescelles will become company secretary.

★

ALFRED WALKER has appointed Mr P. J. de Savary as deputy chairman.

★

GRAND METROPOLITAN has appointed Mr Paul S. Walsh as senior executive vice president, finance. He is elected a director of Inter-Continental Hotels Corporation, and will be located in New York. Mr Walsh was finance director of Watney Mann and Truman Brewers, Grand Metropolitan's UK brewing subsidiary.

★

ANGLO NORDIC HOLDINGS states that following the success of the recommended partial offer by F. L. Smidth & Co (Holdings) which has taken its holding of Anglo Nordic ordinary shares to 24,586,909 shares (75.23 per cent of the issued ordinary share capital) the following board appointments have been made. Mr Birger Riisager, a non-executive director and nominee of F. L. Smidth & Co A/S Denmark becomes non-executive chairman, and Mr Brian Wolfson is made non-executive deputy chairman.

★

EURORATINGS has appointed Mr David Rushton as director—marketing. He was with Export Credit Clearing House.

★

Mr Daniel Romer-Lee has been appointed a director of SMITH & WILLIAMSON SECURITIES, with responsibility for banking activities.

★

Mr David Hopkins, managing director, Dorman Smith Switchgear has been elected president of The Electrical Installation Equipment Manufacturers' Association (EIEMA). Mr John S. Hurn, managing director, Duraplug Electricals, becomes deputy president.

★

THE BOWMER & KIRKLAND GROUP has promoted Mr Anthony Irons to be managing director of Lindley Plant and Johnsons (Chopwell).

★

GEORGE H. SCHOLES has appointed Mr R. V. Harrington as chairman following the retirement of Mr G. R. C. McDowell.

★

The REGENCY BUILDING SOCIETY has appointed Mr Douglas Baker as deputy chairman. He is a partner and chairman of Touche Ross, and senior executive director of Touche Ross International. He is also a member of the London board of the Bank of Scotland and a director of the London International Group.

★

ELECTROCOMPONENTS has appointed Mr Richard R. Butler as group company secretary. He replaces Mr Ron Glennie, who is retiring at the end of the year. Mr Butler was assistant company secretary of Bowthorpe Holdings.

★

CCF GROUP, a software house specialising in financial services, has appointed two non-executive directors: Mr Peter Harris joins from Letraset, where he held various posts including worldwide responsibility for marketing and managing director of the retail division in the Far East; and Mr Stuart Neame, a director of Kent brewers, Shepheard Neame. Mr Nicholas Medd has been appointed general manager of the CCF distributed systems division.

ECONOMIC DIARY

MONDAY: Department of Trade and Industry publishes figures for credit business in July; and final figures for July retail sales. Trades Union Congress annual meeting opens, Blackpool (until September 11). Two Opec committees that monitor Opec output and spot market prices meet in Vienna.

TUESDAY: Deputy foreign ministers from the Group of Ten start two-day meeting in Paris to prepare for the annual meetings of the International Monetary Fund and the World Bank at the end of the month. Danish general election. British Aerospace interim results.

WEDNESDAY: Mr Nigel Lawson, Chancellor of the Exchequer, speaks at Institute of Directors conference on wider share ownership. British Telecom first quarter results, and annual meeting, NEC, Birmingham.

THURSDAY: Department of Trade and Industry publish August provisional figures of vehicle production. CBI/FT survey of distributive trades for August. Financial Times two-day conference on the world motor industry opens in Frankfurt. Institute of Directors conference on expansion through franchising. Rolls-Royce interim results.

FRIDAY: Department of the Environment publishes second quarter provisional figures of construction output. BSC/BISPA August figures for usable steel production. August tax and price index from the Central Statistical Office. Department of Employment publishes retail prices index for August. Rolls-Royce interim results.

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS	Friday September 4 1987						Thurs Sept 3	Wed Sept 2	Tues Sept 1	Year ago (approx.)	Highs and Lows Index							
	Figures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Index No.	Index No.	Index No.	Index No.	1987 High		1987 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (211)	962.26	+0.3	7.14	2.85	17.62	14.50	958.98	948.72	953.86	717.16	1038.07	16/7	696.73	2/1	1038.07	16/7/87	50.71	13/12/74
2	Building Materials (30)	1288.77	+0.4	7.38	2.85	16.87	17.82	1204.35	1190.46	1202.41	825.07	1381.08	16/7	860.39	5/1	1381.08	16/7/87	44.27	11/12/74
3	Contracting, Construction (33)	1727.12	+0.9	6.99	2.80	19.14	20.05	1711.26	1705.21	1705.41	1273.43	1951.58	16/7	1185.88	2/1	1951.58	16/7/87	71.48	2/12/74
4	Electricals (12)	2480.43	+0.1	4.86	2.74	26.54	41.07	2476.85	2452.18	2444.73	1930.84	2733.45	20/7	1772.22	2/1	2733.45	20/7/87	84.71	25/6/62
5	Electronics (35)	2033.65	+0.5	7.92	2.45	16.45	33.73	2022.32	1992.95	2019.04	1535.08	2236.70	17/7	1543.77	2/1	2236.70	17/7/87	1229.01	8/10/85
6	Mechanical Engineering (59)	519.53	−0.2	7.75	3.25	16.25	8.99	520.71	517.84	519.27	401.42	542.20	29/7	393.85	2/1	542.20	29/7/87	45.43	5/1/75
8	Metals and Metal Forming (7)	572.52	+0.4	6.73	2.81	17.94	6.86	570.33	563.87	558.94	355.61	591.16	30/7	355.97	2/1	591.16	30/7/87	49.65	6/1/75
9	Motors (14)	384.75	−0.2	7.59	2.86	15.42	5.48	385.50	382.80	385.17	292.84	406.20	16/7	272.03	2/1	406.20	16/7/87	19.91	6/1/75
10	Other Industrial Materials (21)	1666.57	+0.7	5.72	2.98	21.06	24.27	1655.21	1629.03	1629.51	1330.48	1712.49	16/7	1179.19	2/1	1712.49	16/7/87	277.55	15/1/81
21	CONSUMER GROUP (183)	1311.41	+0.6	6.10	2.61	20.93	16.52	1303.24	1294.25	1304.86	960.60	1406.32	16/7	950.87	2/1	1406.32	16/7/87	61.41	13/12/74
22	Brewers and Distillers (22)	1178.99	+1.0	7.95	3.03	15.93	15.79	1167.28	1156.43	1156.66	949.31	1269.35	16/7	938.04	2/1	1269.35	16/7/87	69.47	13/12/74
25	Food Manufacturing (24)	1014.29	+0.6	6.98	3.03	18.54	15.60	1008.18	1002.74	1010.70	721.66	1092.25	16/7	738.32	2/1	1092.25	16/7/87	59.67	11/12/74
26	Food Retailing (16)	2438.32	+1.3	5.92	2.38	22.48	36.46	2407.59	2400.57	2415.16	1997.22	2649.96	16/7	1881.08	2/1	2649.96	16/7/87	54.25	11/12/74
27	Health and Household Goods (10)	2468.21	+0.1	4.13	1.62	28.25	16.41	2465.51	2474.69	2520.77	1600.65	2699.85	16/7	1645.70	2/1	2699.85	16/7/87	175.38	28/5/80
29	Leisure (31)	1383.36	+0.6	5.97	3.19	20.90	24.25	1375.14	1368.71	1360.76	932.88	1480.59	16/7	986.35	2/1	1480.59	16/7/87	54.83	9/1/75
31	Packaging & Paper (15)	683.72	+0.1	5.97	2.59	22.18	8.51	683.27	679.35	695.23	491.54	739.48	16/7	491.50	2/1	739.48	16/7/87	43.46	6/1/75
32	Publishing & Printing (13)	4744.96	+0.6	4.36	2.99	29.39	59.63	4716.67	4586.49	4574.50	2625.15	4744.96	4/9	2713.49	2/1	4744.96	4/9/87	55.08	6/1/75
34	Stores (36)	1072.18	+0.7	6.60	2.71	20.58	13.30	1065.07	1056.81	1066.74	923.32	1160.58	29/7	835.17	2/1	1160.58	29/7/87	52.63	6/1/75
35	Textiles (16)	823.48	+0.5	7.52	2.72	15.43	11.83	819.49	805.77	808.54	547.98	876.07	15/7	541.39	2/1	876.07	15/7/87	62.66	11/12/74
40	OTHER GROUPS (89)	1135.62	+0.4	7.57	3.13	16.51	18.12	1130.69	1123.25	1132.07	795.92	1192.30	16/7	815.89	5/1	1192.30	16/7/87	58.63	6/1/75
41	Agencies (18)	1696.37	+0.1	4.03	1.41	32.74	14.64	1694.57	1686.45	1698.86	0.0	1795.57	17/7	1111.16	2/1	1795.57	17/7/87	1111.16	2/1/87
42	Chemicals (21)	1478.17	+0.9	6.65	3.08	18.40	31.40	1464.72	1458.58	1467.69	997.30	1479.10	29/7	1082.81	2/1	1479.10	29/7/87	71.20	1/12/74
43	Conglomerates (12)	1445.83	+0.2	7.18	3.25	15.94	20.26	1442.52	1437.21	1449.15	0.0	1546.12	16/7	1112.14	2/1	1546.12	16/7/87	1112.14	2/1/87
45	Shipping and Transport (12)	2255.47	+0.3	7.13	3.53	18.67	39.02	2248.78	2245.70	2258.88	1558.18	2497.85	16/7	1567.77	2/1	2497.85	16/7/87	90.80	29/6/62
47	Telephone Networks (2)	1080.57	+0.3	9.39	3.74	14.21	18.98	1077.40	1066.35	1083.69	800.52	1274.14	9/6	837.15	5/1	1274.14	9/6/87	517.92	30/11/84
48	Miscellaneous (24)	1666.12	+0.5	8.32	2.81	14.41	21.14	1657.68	1640.40	1638.17	1098.94	1715.19	17/7	1181.37	5/1	1715.19	17/7/87	60.39	6/7/75
49	INDUSTRIAL GROUP (483)	1188.26	+0.5	6.77	2.81	18.65	16.81	1182.34	1173.13	1181.80	864.74	1268.86	16/7	860.46	2/1	1268.86	16/7/87	59.01	13/12/74
51	Oil & Gas (17)	2247.56	+0.2	7.35	4.20	16.83	56.53	2242.99	2227.11	2270.46	1395.40	2458.68	16/7	1505.69	5/1	2458.68	16/7/87	87.23	29/5/62
59	500 SHARE INDEX (500)	1278.19	+0.5	6.86	3.02	18.36	20.24	1272.39	1262.61	1274.21	909.99	1369.88	16/7	915.61	2/1	1369.88	16/7/87	63.49	13/12/74
61	FINANCIAL GROUP (118)	819.97	+0.1	—	3.73	—	16.87	818.98	812.83	815.74	622.27	882.11	16/7	615.75	2/1	882.11	16/7/87	55.88	13/12/74
62	Banks (8)	810.74	−0.8	16.46	4.80	8.03	25.65	817.03	812.31	817.68	679.69	898.38	16/7	685.07	14/4	898.38	16/7/87	62.44	12/12/74
65	Insurance (Life) (9)	1128.72	+2.0	—	3.78	—	21.09	1106.87	1095.93	1089.42	910.26	1194.71	7/7	869.23	2/1	1194.71	7/7/87	44.88	2/1/75
66	Insurance (Composite) (7)	620.01	—	—	4.45	—	13.39	620.09	617.17	615.57	495.17	664.97	20/7	456.52	2/1	664.97	20/7/87	43.96	13/12/74
67	Insurance (Brokers) (8)	1229.32	−1.2	9.85	4.61	14.14	26.47	1244.58	1240.06	1250.50	1195.15	1399.56	17/7	1089.71	14/4	1399.56	17/7/87	65.86	16/12/74
68	Merchant Banks (11)	493.76	+0.2	—	2.77	—	6.92	492.80	491.10	494.87	344.29	513.48	17/8	345.65	2/1	513.48	17/8/87	31.21	7/1/75
69	Property (47)	1264.12	+0.4	3.78	2.35	34.18	13.34	1259.29	1244.29	1255.42	784.24	1374.86	16/7	805.82	5/1	1374.86	16/7/87	56.01	20/4/65
70	Other Financial (28)	561.04	+0.5	5.95	2.72	21.30	7.91	558.22	553.35	553.31	354.85	603.48	16/7	365.01	2/1	603.48	16/7/87	33.29	17/12/74
71	Investment Trusts (91)	1136.20	+0.4	—	2.13	—	13.02	1131.73	1121.13	1135.81	812.18	1149.12	16/7	867.57	2/1	1149.12	16/7/87	71.12	13/12/74
81	Mining Finance (2)	677.33	−0.1	4.98	2.45	23.05	6.79	677.92	658.73	651.28	293.21	727.93	3/8	341.86	2/1	727.93	3/8/87	66.31	30/9/74
91	Overseas Traders (10)	1224.27	+0.7	7.40	3.85	16.03	29.58	1215.58	1180.94	1182.38	668.99	1224.27	4/9	778.26	2/1	1224.27	4/9/87	97.37	6/1/75
99	ALL-SHARE INDEX (721)	1161.14	+0.4	—	3.09	—	19.00	1156.56	1147.04	1156.31	827.76	1238.57	16/7	835.48	2/1	1238.57	16/7/87	61.92	13/12/74

		Index No.	Day's Change	Day's High	Day's Low	Sept 3	Sept 2	Sept 1	August 28	August 27	Year ago	1987 High		1987 Low		Since Compilation High		Since Compilation Low	
	FT-SE 100 SHARE INDEX ♦	2274.9	+6.8	2285.4	2273.4	2268.1	2249.5	2272.8	2249.7	2245.8	1680.3	2443.4	16/7	1674.5	2/1	2443.4	16/7/87	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Sept 4	Day's change %	Thurs Sept 3	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	120.84	−0.02	120.86	—	7.48
2	5-15 years	134.33	−0.22	134.70	0.88	9.73
3	Over 15 years	142.51	−0.27	142.90	—	9.16
4	Irredeemables	155.95	−0.23	156.31	—	8.81
5	All stocks	132.19	−0.16	132.45	0.04	8.94
	Index-Linked					
6	5 years	119.61	−0.17	119.81	—	2.18
7	Over 5 years	112.65	−0.30	112.99	—	2.40
8	All stocks	113.05	−0.29	113.38	—	2.37
9	Debentures & Loans	114.79	+0.49	114.23	—	6.93
10	Preference	84.39	+0.05	84.35	—	3.80

	AVERAGE GROSS REDEMPTION YIELDS		Fri Sept 4	Thurs Sept 3	Year ago (approx.)	1987 Highs		1987 Lows	
	British Government								
1	Low	5 years	9.54	9.49	8.43	9.78	2/1	7.52	11/5
2	Coupons	15 years	9.82	9.78	9.29	10.08	2/1	8.53	8/5
3		25 years	9.66	9.63	9.31	10.08	2/1	8.55	8/5
4	Medium	5 years	10.33	10.27	9.62	10.80	2/1	8.39	8/5
5	Coupons	15 years	10.09	10.03	9.61	10.39	2/1	8.74	8/5
6		25 years	9.87	9.85	9.48	10.18	2/1	8.75	8/5
7	High	5 years	10.39	10.34	9.71	10.84	2/1	8.58	8/5
8	Coupons	15 years	10.27	10.22	9.75	10.57	2/1	8.86	8/5
9		25 years	9.90	9.86	9.59	10.24	2/1	8.72	8/5
10	Irredeemables †		9.80	9.74	9.24	10.06	2/1	8.67	8/5
	Index-Linked								
11	Inflat'n rate 5%	5 yrs.	3.41	3.34	3.49	3.95	2/1	2.03	20/5
12	Inflat'n rate 5%	Over 5 yrs.	4.01	3.99	3.44	4.10	20/8	3.30	6/4
13	Inflat'n rate 10%	5 yrs.	3.34	3.25	2.21	3.34	4/9	0.85	24/3
14	Inflat'n rate 10%	Over 5 yrs.	4.00	3.98	3.29	4.07	20/8	3.17	27/3
15	Debs &	5 years	11.31	11.38	10.15	11.57	25/8	9.46	12/6
16	Loans	15 years	11.31	11.38	10.37	11.52	28/8	9.79	23/3
17		25 years	11.31	11.38	10.42	11.48	26/8	9.84	23/3
18	Preference †		10.84	10.85	10.82	11.83	2/1	10.05	22/6

♦ Opening index 2276.8; 10 am 2284.3; 11 am 2282.2; Noon 2283.3; 1 pm 2281.2; 2 pm 2280.6; 3 pm 2276.0; 3.30 pm 2275.2; 4 pm 2274.0.

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Agencies	31/12/86	1114.07	Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Conglomerates	31/12/86	1114.07	Mechanical Engineering	31/12/71	153.84	All Other	10/04/62	100.00
Telephone Networks	30/11/84	517.92	Industrial Group	31/12/70	128.20	British Government	31/12/75	100.00
Electronics	30/12/83	1646.65	Other Financial	31/12/70	128.06	Do. Index-linked	30/04/82	100.00
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13	Debs. & Loans	31/12/77	100.00
Health/Household Products	30/12/77	261.77	Food Retailing	29/12/67	114.13	Preference	31/12/77	76.72
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 32p.

CONSTITUENT CHANGES: Babcock International (6) and Stewart Wrightson (67) have been deleted. VPI (41) has been inserted. NAME CHANGES: Marlborough Technical Management (42) has become MTM; Lee Cooper (35) has become Vivat Holdings; London Trust (71) has become London American Venture Trust

State to sue failed Alberta bankers for C$1.5bn

BY DAVID OWEN IN TORONTO

THE CANADIAN Government and the Canada Deposit Insurance Corporation are to sue former directors and officers of two failed Alberta banks for a total of C$1.5bn (US$1.15bn), alleging that the true financial position of the banks was deliberately or negligently misrepresented over long periods.

The two institutions — Canadian Commercial Bank of Edmonton and the Calgary-based Northland Bank — collapsed in rapid succession in the second half of 1985, necessitating a C$1bn federal government bail-out of depositors.

A year-long inquiry into the dual failure, headed by a supreme court judge, concluded that bank management, directors, auditors and government regulators all shared responsibility. The banks' combined assets at the time were estimated at C$3.7bn.

In the larger of the two suits, against directors and officers of the CCB, the Government and CDIC are respectively seeking damages of C$525.3m and C$352m. The bank's financial position was allegedly misrepresented "from at least 1983 to August 1985," according to the suit.

In the Northland Bank suit, total damages of C$650.4m are being sought, with the alleged period of misrepresentation stretching from 1981 onward.

The actions follow last week's launch of a civil suit on behalf of CCB creditors by court-appointed liquidator. Price Waterhouse, which seeks damages of C$294m from former officers, managers and directors of the bank, Mr Gerald McLaughlan, former CCB president, has said this suit will be defended, but there was no comment yesterday from former officers of the two banks on the latest suites.

They come in the wake of the demise of the Edmonton-based Principal Group—the last surviving major financial institution in western Canada which filed for bankruptcy last month after the June collapse of two subsidiaries.

The CDIC, which reported a C$1.2bn deficit at the end of 1986, now faces a C$125m payout to insured depositors of Principal Savings & Trust, the group's flagship unit.

HK's Mass Transit cuts losses

BY DAVID DODWELL IN HONG KONG

HONG KONG'S Mass Transit Railway Corporation (MTRC), which operates the territory's 38.6km underground railway system, yesterday thanked lower debt-repayment costs, rising passenger traffic, and the sale of development properties, for a 30 per cent cut in net losses in the first half of 1987.

Profit before financing charges rose by 37 per cent, from HK$195m ($25m), to HK$268m, due to a 12 per cent increase in passengers carried, and average fare increases of 7 per cent.

Financing costs rose from HK$670m to HK$692m, but after a HK$95m gain on the sale of property interests, the corporation reported net losses for the half-year of HK$348m, compared with HK$494m last year.

The massive cost of building Hong Kong's underground system left the MTRC with debts peaking at HK$19.2bn last year. Total debt has now been trimmed to about HK$18.5bn with Mr Wilfrid Newton, the company's chairman, noting that debt financing needs have been arranged for the 22 months ahead. Only a week ago it secured a 12-year loan worth Y5bn from seven major Japanese financial institutions.

The corporation predicts that it will be generating positive cash flow by the early 1990s, with debts repaid before the end of the century.

The MTRC carried 276m passengers in the first half.

Mr Newton said the second half of 1987 had started well, with passenger revenues above company forecasts, and 60 per cent of group debt "at favourable, fixed rates of interest."

Bekaert to shed 1,400 jobs

BY WILLIAM DAWKINS IN BRUSSELS

BEKAERT, the Belgian steel wire products group, yesterday confirmed that it is to shed 1,400 jobs, the biggest single staff cut in its 107-year history.

The reductions, which will be made at its main Zwevegem plant in northern Belgium, will take place over the next five years, reducing the Belgian workforce to 5,743 from 7,143 at the end of 1986. Practically all the cuts will come from early retirement and will take place at all levels of the company.

The cuts come in response to sluggish demand and weak prices for Bekaert's products. The group also plans to spend BFr 6bn ($161m) over the next five years — BFr 2bn more than planned — on splitting its wire division into three units.

These will cover bulk production of industrial steel wire, to take place at the group's plant at Hemiksen, near Antwerp, low-volume output of wire for such special applications as valve springs or needles and seasonal production for fencing and agricultural wire.

Bekaert will also be seeking to adopt more flexible working practices, along the lines of a package rejected by its unions in June, but one including new proposals to allow workers to exchange jobs between departments.

Consolidated operating profits declined sharply to BFr 2.5bn last year, but the group said yesterday that it expects the current period's results to show litle change. Profits for the first six months, due to be announced next week, were "satisfactory," an official said.

Affiliate of Adsteam buys stake in bank

DAVID JONES, 45 per cent-owned by the Adelaide Steamship Group, the holding company of Mr John Spalvin's investment group, has acquired a 9.8 per cent stake in National Australia Bank and wants to raise to 15 per cent, Reuter reports from Sydney.

David Jones has applied to Mr Paul Keating, the Treasurer, for approval to acquire up to 15 per cent of National Australia, said Mr Spalvins, the chief executive.

This is the maximum level permitted under the Banks (Shareholding) Act for a single shareholding in an Australian bank, although the Government has permitted the new foreign banks in Australia to be owned up to 100 per cent by single groups. Mr Keating's approval is needed, however, for David Jones to move beyond 10 per cent of National Australia, one of the three major listed Australian trading banks.

David Jones' parcel of about 53m bank shares was worth some A$300m (US$212.9m) at Friday's closing price of A$5.68.

Stronger first-half profits for Mitsubishi Chemical

BY YOKO SHIBATA IN TOKYO

MITSUBISHI CHEMICAL Industries, Japan's largest integrated chemical company, has reported a 9.7 per cent rise in pre-tax profits to Y12.66bn ($89.7m) in the February-June half year, thanks to an improved balance on financial items.

Net profits rose 7 per cent to Y4.04bn, on turnover of Y298.3bn, down 11.6 per cent from a year ago.

Sales of medicine and fine chemicals soared 8.1 per cent, but carbon sales plunged by 23.1 per cent owing to sluggish demand from steel makers and motor manufacturers. Softer market prices dragged down sales revenue from petrochemicals.

For the full fiscal year to January 1988, pre-tax profits are expected to rise by more than 10 per cent to Y27bn, on sales of Y610bn.

Setback for Italian funds

ITALY'S MUTUAL fund industry suffered a sharp setback last month, with redemptions by investors more than twice as high as the inflow of savers' funds, writes Alan Friedman in Milan.

According to Assofondi, the association of the 69 authorised mutual funds, redemptions for the month of August totalled L1.270bn ($974m), against an intake of L633bn. This resulted in the first negative monthly balance—of Y637bn—since the mutual funds began operating three years ago.

The month of August 1986 closed with a net inflow of L2.053bn, while the net inflow in July 1987 was L454bn.

The past few weeks have seen a nervous Milan stock market, with selling pressure and much bearish speculation on the bourse. The overall market index is down by 16 per cent on the start of 1987.

Brazilian banks weather inflation surge

BY ANN CHARTERS IN SAO PAULO

BRAZIL'S BANKS have come through another six months of uncertainty — marked by the resurgence of inflation and bleaker prospects for many corporate customers — with satisfactory results that, according to analysts, are in line with average earnings over the past few years.

With inflation accelerating over the period at double digits each month, peaking at 26 per cent in June, depositors switched funds out of current accounts into overnight and 60-day certificates to earn interest more in line with inflation.

Meanwhile small and medium companies that took on debt when interest rates were lower during the previous year were caught by surprise as inflation surged, increasing financial expenses at a time when many companies' sales dropped.

As a result, banks worried about the quality of their loan portfolios. The Government granted special credit lines to small and medium companies and gave those with rural loans the choice of eliminating correction for inflation on unpaid balances or paying a fixed interest rate.

Comparisons with 1986 are complicated by last year's introduction of the country's economic stabilisation plan and new currency, the cruzado. Results have been converted to US dollars for comparative purposes.

Bradesco, Brazil's largest private commercial bank, reported consolidated net earnings of Cz 4.3bn ($102m), down 7 per cent in dollar terms from the same period in 1986. Pre-tax earnings dropped to $136m from $150m.

Total assets reached Cz 249.4 bn, while operating results were $291.9m. The bank recognised lost revenues of $60m from rural loans due that were not corrected for inflation.

The bank continued to reduce costs and increase productivity, closing 230 branches, opening 52 banking service units and investing $9m in extending automation to more branches.

Itau, the country's second-largest private commercial bank, reported consolidated after-tax profits of Cz 3bn ($72.7m), up 32 per cent in dollar terms, compared with the first half of 1986. Pre-tax profits were $101.5m, down 14 per cent in dollar terms, compared to the first half of last year. Assets totalled Cz 166bn.

The bank increased its automation efforts. Electronic tellers were started in six branches with installations planned for another 49 before the end of the year.

Unibanco, the third largest private commercial bank, showed consolidated after-tax profits of Cz1.1bn ($26.2m), an increase of 94 per cent in dollar terms. Pre-tax profits were $32.6m while total assets were Cz103.6bn.

Banco Nacional published results showing net earnings of Cz674m ($16.1m), an 118 per cent increase in dollar terms over the same period last year. Pre-tax profits were $16.9m while total assets were Cz83.4bn.

Banco Real presented net profits of Cz1.48bn ($46.9m), for the period, an improvement of 458 per cent over the first six months of 1986 in dollar terms. Pre-tax earnings were $84.4m while assets totalled Cz82.5bn at the end of the period.

Banco Economico reported Cz 610m ($14.6m) in after-tax profits for the period, up 34 per cent over the same period the previous year. Before tax profits were $16.1m and assets grew to Cz 62bn. The bank recognised $6m in lost revenues from rural loans. The bank expanded its investment in computerisation with an additional $6m and continued investing in petrochemical companies where it holds minority shares.

Banco Safra showed half-yearly profits of Cz 48bn ($35.5m), a decline of 26 per cent expressed in dollar terms over the same period in 1986. Pre-tax profits were $36.2m while assets totalled Cz 58.8bn.

In the state sector Banco do Brasil, the country's largest government-controlled financial institution, reported net profits of Cz 34.2bn ($820m), up 659 per cent in dollar terms over the half year in 1986. Pre-tax profits were $917m, while assets grew to Cz 1949bn over the 12 months.

With the start-up of new financial operations, the bank appears to have recovered from the loss of its special monetary authority in early 1986. Overseas branches, which usually show a profit, reported a loss of Cz 476m ($11.4m), attributed to the effects of Brazil's moratorium on interest payments.

Payments from the federal treasury for services rendered helped boost the bank's results.

Banespa, the second largest government-controlled bank and which is run by Sao Paulo state, reported net profits of Cz6.1bn ($147m), an increase of 79 per cent in real terms in cruzados compared to the same period in 1986 and the largest in recent history for the bank.

Pre-tax earnings reached $282m and operating results were $240m after incorporating losses from securities operations currently under judicial investigation. Total assets were Cz233bn, with consolidated results reported for the conglomerate.

Jardine in Bermuda joint venture

By Roger Scotton in Bermuda

JARDINE MATHESON, Hong Kong's oldest trading group, is spending about $10m to establish a physical presence in the British colony of Bermuda, which hasc been its legal domicile since 1984.

Mr Raymond Moore, a Jardine director, said the group has formed a joint venture company with Bermuda's own "hong," the Edmund Gibbons group—a diverse financial services and trading company owned by one of Bermuda's wealthiest families and headed by former premier Sir David Gibbons.

Mr Moore said Jardine will hold a 40 per cent stake in the joint venture, Jardine Gibbons Properties, which has been formed to develop a five storey office and retail complex in the capital of Hamilton.

The building, due to be finished by hte end of 1989, will house Jardine's four holding companies formed recently as a result of an internal reorganisation. The four, all domiciled in Bermuda and listed on the Hong Kong stock exchange, are Jardine Matheson Holdings, Jardine Strategic Holdings, Dairy Farm International Holdings and Mandarin Oriental International.

Mr Moore, the Jardine group's tax lawyer, said he would be taking up permanent residence in Bermuda on February 1 next year. He said that the Bermuda office he will be setting up will be responsible for the tax planning and management of all Jardine offshore corporations worldwide.

"In Bermuda alone there are about 20 companies under the four holding groups, plus many many more companies worldwide," he said. "What we will be doing is keeping abreast of what is happennig around the world in terms of taxation and foreign exchange control and making sure we don't get caught. For example, if we had not moved out of the Netherland Antilles recently we would have been affected by tax changes there."

Mr Moore said that Jardine has paid about $3m in stamp duties and fees to the Bermuda Government since it was incorporated on the island three years ago.

But he added: "I want to make it very clear that the headquarters, management and control of the holding companies will remain in Hong Kong and will be unaffected by what is happening in Bermuda."

MCI acquires communications unit from GE

By Our Financial Staff

MCI COMMUNICATIONS, the US independent telecommunications group, has signed a letter of intent to buy RCA Global Communications from General Electric of the US for $160m, subject to possible closing adjustments.

RCA Glocal Communications' principal business is high speed telex and data transmissions. The companies said the transaction is subject to a definitive agreement and to appropriate regulatory approvals. They expect to finalise a contract by September 30 and receive the approvals to complete the deal by the year-end.

● US Sprint, the recently formed joint venture between United Telecommunications and GTE, two leading US telecommunications groups, has put its microwave/satellite network up for sale.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1987 High	1987 Low
METALS					
Aluminium					
Free Market c.i.f.	$1640/660	—110	$1320/340	$1865/1885	$1205/1225
Antimony					
Free Market 99.6%	$2250/2280	—25	$2330/2450	$2400/2500	$2150/2280
Copper-Cash Grade A	£1045.5	—6.5	£913.8	£1137.75	£870.25
3 months Grade A	£1030.5	—6	£928.75	£1118.25	£849.5
Gold per oz	$465.25	+11.5	$420.5	$476.75	$390.25
Lead Cash	£413	—4.5	£274.5	£445	£288.75
3 months	£392.5	—1.75	£275.25	£417.5	£290.75
Nickel					
Free market	242/262c	—5	173/193c	347/267c	166/177c
Palladium	$137.50	—0.75	$151.00	$161.00	$117.15
Platinium per oz	$604.25	+6.25	$673.75	$646.50	$476.75
Quicksilver (76lbs)	$300/310	+20	$135/145	$300/310	$150/160
Silver per oz	464.00p	—0.85	363.55p	653.50p	344.40p
3 months per oz	475.70p	—1.15	372.50p	668.20p	352.70p
Tin					
Free market	£4125/4155	—95	£5700/720	£4,610/640	£3,980/888
Tungsten Ind	$53.23	—	$52.75	$58.1c	$41.44
Wolfram (22.04 lbs)	$43/55	—	$35/45	$50/55	$32/42
Zinc cash	£457.5	—30	£576	£567	£448.5
3 months	£461.5	—17	£579	£550.5	£448
Producers	$860	—	$840/880	$870	$770/790
GRAINS					
Barley Futures Nov	£99.95	—0.80	£107.35	£118.55	£95.30
Maize French	£153.00	—	£165.00	£163.50	£142.00
WHEAT Futures Nov	£104.10	+0.70	£107.45	£125.50	£98.75
SPICES					
Cloves	$3475	+50	$4900	$3,800	$3,200
Pepper white	$5900	+50	$6100	$6,400	$4,900
black	$4800	—160	$4250	$4,900	$4,200
OILS					
Coconut (Philippines)	$405w	—	$225	$530	$320
Palm Malayan	‡	—	$200	$590	$285
SEEDS					
Copra (Philippines)	$315	—15	$160	$325	$220
Soyabeans (U.S.)	$147	—	$156	$162.5	$133.5
OTHER COMMODITIES					
Cocoa Futures Dec	£1251.5	—46	£1547.5	£1,439.5	£1,219.5
Coffee Futures Nov	£1341.5	—6	£2356.5	£1655.5	£1,210.5
Cotton Outlook A Index	84.65c	—2.95	‡	87.70c	62.65c
Gas Oil Fut. Oct	$157.25	—1	$141.5	$173.25	$125.5
Jute LJA BWC grade	$425	—	$250	$425	$280
Rubber kilo	69.5p	—1.25	61p	71p	60p
Sisal No. 3L	$615	—	$625	$615	$610
Sugar (Raw)	$148.4w	+0.8	$118	$204	$139.5
Tea (quality) kilo	‡	—	200p	180p	140p
(low med) kilo	‡	—	115p	111p	80p
Wooltops 64s Super	487p kilo	—30	387p kilo	548p kilo	416p kilo

‡ Unquoted. (x) Nov. (w) Sept/Oct. (t) Oct/Nov. (z) Oct.

ALUMINIUM

99.7% purity	Unofficial close (p.m.) $ per tonne	+ or —	High/Low
Cash	1645-55	+30	—
3 months	1620-30	+25	1619

Official closing (am): Cash 1,650-5 (1,606-8), three months 1,617-20 (1,595-8), settlement 1,655 (1,608). Final Kerb close: 1,618-20. Ring turnover: 1,300 tonnes.

99.5% purity	£ per tonne	+ or —	High/Low
Cash	979-81	+17.5	978
3 months	960-1	+15.75	965/953

Official closing (am): Cash 976-7 (958-9), three months 958-6.5 (942.3), settlement 977 (958). Final Kerb close: 959-60. Ring turnover: 58,475 tonnes.

COPPER

Grade A	Unofficial close £ per tonne	+ or —	High/Low
Cash	1044-5	+13.5	1048/1044.5
3 months	1030-1	+14.5	1032/1019

Official closing (am): Cash 1,044-4.5 (1,021.5-2), three months 1,029-9.5 (1,008.5-9), settlement 1,044.5 (1,022). Final Kerb close: 1,031-2.

Standard			
Cash	1043-5	+12.5	1044
3 months	1028-30	+24.5	—

Official closing (am): Cash 1,043-4 (1,020-2), three months 1,027-30 (1,006-9), settlement 1,044 (1,022). US Producer prices: 80-85 cents per pound. Total ring turnover 46,435 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	412-4	+4.5	418/417
3 Months	392-3	+4.25	396/390

Official closing (am): Cash 416-20 (404.5-5), three months 392-3 (388-9), settlement 420 (405). Final Kerb close: 392.5-3. Ring turnover: 3,225 tonnes. US Spot 42 cents a pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	3225-45	+2.5	3220
3 months	3195-205	—5	3225/3195

Official closing (am): Cash 3,219-21 (3,165-70), three months 3,202-3 (3,155-8), settlement 3,221 (3,170). Final Kerb close: 3,193-200. Ring turnover: 1,248 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	457-8	+4	458
3 months	461-3	+3.75	467/461

Official closing (am): Cash 459-60 (458-9), three months 464-5 (462.5-3), settlement 460 (459). Final Kerb close: 460-1. Ring turnover: 3,850 tonnes. US Prime Western: 43-43.5 cents a pound.

TIN

KUALA LUMPUR TIN MARKET—Close: 16.81 (16.85) ringgit per kg. Down 0.04.

LONDON METAL EXCHANGE TRADED OPTIONS

	Strike Price $ tonne	Calls Oct.	Calls Nov.	Puts Oct.	Puts Nov.
Aluminium 99.7%	[illegible]	—	—	—	—
		Nov.	Jan.	Nov.	Jan.
Aluminium 99.5%	[illegible]	[illegible]	[illegible]	80½	95
Copper (Grade A)	[illegible]	[illegible]	[illegible]	75½	89
Copper (Grade A)	[illegible]	[illegible]	[illegible]	31½	43½

Estimates.

GOLD

GOLD BULLION (fine ounce) Sept. 4

Close	$465½-466½	(£281½-282¼)
Opening	$462½-463	(£280¼-280½)
M'n'g fix	$464½	(£280½)
Aft'n'n fix	$464½	(£280½)
Day's high	$465½-466	
Day's low	$461¾-462¼	

GOLD AND PLATINUM COINS

Am Eagle	$476-483	(£289-292)
Maple leaf	$476-481	(£289-290¾)
Kr'g'r'nd	$463-466	(£279½-281¼)
½ Krug	$247-250	(£149½-151)
¼ Krug	$117-125	(£70¾-75¼)
Angel	$476-479	(£287¾-289¾)
1/10 Angel	$48-51	(£29-30¾)
New Sov.	$108-109	(£65¼-66¼)
Old Sov.	$108-109½	(£65½-66¼)
Noble Plat	$628.5-633	(£378¼-383)

RUBBER

PHYSICALS—Closing prices (buyers): Spot 68.50p (68.00p); Oct 69.25p (67.75p); Nov 69.50p (68.50p). The Kuala Lumpur fob prices (Malay/Singapore cents per kg) was RSS No 1 284.0 (same); SMR 20 226.0 (same).

INDICES

REUTERS

Sept. 4	Sept 3	M'th ago	Yearago
1644.2	1640.8	1637.0	1475.4

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Sep. 3	Sept. 2	M'th ago	Year ago
Spot	129.86	128.88	—	121.33
Fut	130.87	131.27	—	124.01

(Base: December 31 1931=100)

SILVER

Silver was fixed 0.5p an ounce higher for spot delivery in the London bullion market yesterday 464p. US cent equivalents of the fixing levels were: Spot 768c, up 2c; three-month 781.95c, up 2.4c; six-month 796.75c, up 2.5c; and 12-month 827.35c, up 2.15c. The metal opened at 464-465½p (766-768c) and closed at 468½-470p (773-775c).

SILVER per troy oz	Bullion Fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	464.00p	+0.55	776.5c	+5.5
3 months	475.70p	+0.75	788.5c	+7.5
6 months	487.30p	+0.60	—	—
12 months	510.15p	+0.50	—	—

LME—Turnover: Nil (1) lots of 10,000 ounces.

Three months final kerb 787-90c.

COFFEE

After falling to open £10 lower, as due, Robustas traded quietly within a tight range during the morning, reports Drexel Burnham Lambert. The market eased with light trade selling and long liquidation in sympathy with a weak New York performance. However, good support was found at lower levels which steadied values. Late weekend book-squaring left the market towards the highs of the day.

COFFEE	Yesterday close	+ or —	Business done
Sept	1303-1305	—7.5	1308-1297
Nov	1340-1342	—5.0	1344-1330
Jan	1367-1371	—5.5	1372-1357
Mar	1380-1382	—10.5	1382-1370
May	1402-1404	—8.5	1404-1390
July	1420-1424	—11.5	1429-1415
Sept	1440-1451	—15.0	1440

Sales: 2,532 (6,122) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for September 3: Comp. daily 1979 106.40 (106.84): 15-day average 101-12 (100.48).

COCOA

Futures traded in a subdued fashion for most of the day. After opening £10 higher the market eased unchanged before closing mid-range. Physical business was confined to light consumer offtake, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or —	Business done
Sept	1207-1210	+4.0	1220-1205
Dec	1251-1252	+4.0	1265-1245
March	1284-1286	+1.5	1295-1279
May	1305-1306	—1.0	1317-1305
July	1325-1328	—0.5	1327-1325
Sept	1345-1346	—1.0	1355-1342
Dec	1366-1368	—1.5	1374-1365

Sales: 2,581 (2,658) lots of 10 tonnes.

ICCO indicator prices (SDRs per tonne). Daily price for September 4: 1,558.75 (1,567.55); 10-day average for September 7: 1,588.93 (1,597.40).

FREIGHT FUTURES

With a general feeling that physical rates will rise in the nearterm, traders began to cover their short positions prior to the weekend, resulting in a rally of some 30 points in thin volume, reports Clarkson Wolff.

Dry Cargo	Close	High/Low	Prev.
Oct.	1116/1118	1120/1095	1085/1090
Jan.	1122	1127/1105	1087/1099
Apr.	1199/1200	1200	1160
July	1095/1100	1095/1078	955/1065
Oct.	1080	—	1060
Jan.	1090	—	1070
April	1180	—	1160
BFI.	1063.5	—	1065

Turnover: 130 (341).

GRAINS

LONDON GRAINS—Wheat: US dark northern spring No. 2 14 per cent Oct 93.75, Nov 95.25. US No. 2 soft red winter Oct 90.00, Nov 92.75. French 11½-12 per cent Sept 136.00, Oct 138.00 sellers. English feed fob Sept 104-104.50, Oct/Dec 106.50-107.25, Jan/March 109.50-110.50, April/June 114-114.75 sellers east coast. Maize: US No. 3 yellow/French transhipment east coast Sept 153.00 seller.

Mnth	WHEAT Yest'rdy's close	+ or —	BARLEY Yest'rdy's close	+ or —
Sep.	102.95	—0.50	96.90	—0.10
Nov.	104.10	—0.05	99.95	—0.10
Jan.	106.30	—	102.55	—
Mar.	109.25	—0.05	104.90	+0.05
May	111.80	+0.20	107.00	+0.05
July	114.00	—	—	—

Business done—Wheat: Sept 103.55-3.10, Nov 104.50-3.95, Jan 106.55-6.30, March 109.40-9.25, May 111.85, July untraded. Sales: 143 lots of 100 tonnes.

Barley: Sept 97.15-6.90, Nov 100.20-99.95, Jan 102.80-2.65, March 105.00, May untraded. Sales: 56 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 95.60, N. East 96.80, Scotland 94.00. The UK coefficient for the week beginning Monday September 14 (based on HGCA calculations using three days' exchange rates) is expected to remain unchanged.

POTATOES

November opened £1.60 down as traders continued to take a dim view of short-term physical prospects. This initially set the tone for April which opened 60p down but quickly recovered to trade quietly at around unchanged levels, picking up towards lunch. Nervousness over weather forecasts and concern over possible MAFF action on imports kept sentiment steady throughout the afternoon for prices to close at the highest levels since late July, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business done
Nov.	86.90	86.50	86.50-85.00
Feb.	96.00	96.30	—
March	85.00	84.30	85.00
Apr.	134.00	132.00	134.00-131.40
May.	147.10	145.00	147.00

Sales: 535 (288) lots of 40 tonnes.

OIL

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel) Sept.		
Arab Light	—	—
Arab Heavy	—	—
Dubai	17.20-17.30*	—
Brent Blend	18.15-18.20	—0.25
W.T.I. (1pm edt)	19.40-19.45*	+0.25
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	177-180	—1
Gas Oil	156-157	—1
Heavy fuel Oil	97-99	—
Naphtha	158-160	n/a

* October.

Petroleum Argus estimates

Cox's apples to have £1m promotion

THE APPLE and Pear Development Council is spending £1m this autumn to promote Cox's apples, although a survey says that almost half of all home-grown fruit sold in supermarkets is damaged.

US MARKETS

RUMOURS THAT a short-term ceasefire had been agreed in the Gulf War prompted trade selling and long-liquidation in the crude oil and energy futures, reports Drexel Burnham Lambert. The precious metals were under pressure throughout the day. Silver weakened further on trade selling towards the close following earlier local dominated trading. Copper firmed on trade and technical buying. Coffee fell on commission house selling and stops before trade and local buying prompted short-covering to steady the market. Cocoa fell on arbitrage selling before trade buying and speculative buying on the close firmed the market. Sugar fell on commission house selling in thin trading. Cotton and orange juice were dominated by local activity, but trade schale-down buying was noted in cotton. ... ...

...The grains were firm on professional buying, reflecting forecasts of rains over the next few days which may slow harvesting. Soyabean-meal futures continued strong on firm cash prices. Cattle prices were again steady on firm dressed beef prices, good movement and anticipation of higher cash prices. Pork bellies fell as cash prices eased. Hogs were about unchanged.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	Prev	High	Low
Sept	77.75	76.90	—	—
Oct	76.75	76.50	—	—
Nov	75.75	74.50	—	—
Dec	75.25	74.00	75.10	75.00
Jan	74.75	73.50	—	—
March	72.55	71.30	—	—
May	69.55	68.30	—	—
July	68.05	67.80	—	—

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
Sept	1946	1951	1953	1935
Dec	1944	1947	1950	1931
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE "C" 37,500 lb, cents/lb

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lb, cents/lb

	Close	Prev	High	Low
Sept	78.00	76.75	78.10	77.30
Oct	[illegible]	[illegible]	—	—
Nov	[illegible]	[illegible]	—	—
Dec	[illegible]	[illegible]	76.00	75.00
Jan	[illegible]	[illegible]	—	—
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	—	—
Sept	[illegible]	[illegible]	—	—
Dec	[illegible]	[illegible]	—	—

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrel

	Latest	Prev	High	Low
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	483.1	483.9	484.5	482.5
June	489.4	490.1	490.5	490.5
Oct	503.1	503.8	504.0	504.0
Dec	510.0	510.4	512.5	510.9
Feb	517.2	517.4	518.2	518.2
June	531.8	531.8	—	—

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	Prev	High	Low
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

ORANGE JUICE 15,000 lb, cents/lb

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	Prev	High	Low
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	Prev	High	Low
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000 lb, cents/lb

	Close	Prev	High	Low
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lb, cents/lb

	Close	Prev	High	Low
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56-lb-bushel

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60-lb-bushel

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	Prev	High	Low
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

SPOT PRICES—Chicago loose lard 15.00 (same) cents per pound. Handy and Harman silver bullion 772.0 (789.0) cents per troy ounce. New York tin 317-318 (same) cents per pound.

GAS OIL FUTURES

Month	Yesterday's close US$ per tonne	+ or —	Business done
Sept.	157.00	[illegible]	[illegible]
Oct.	157.25	—0.75	[illegible]
Nov.	158.25	—0.75	[illegible]
Dec.	160.50	—0.50	[illegible]
Jan.	162.00	—0.50	[illegible]

Turnover: 1,605 (5,168) lots of 100 tonnes.

SOYABEAN MEAL

	Yesterday's close £ per tonne	+ or —	Business done
October	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
Feb.	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]

Sales: 101 (768) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $148.40 (£89.80), down $4.00 (down £2.80) a tonne for September-October delivery. White sugar $182.20, down $2.40.

	Yesterday's close $ per tonne	Previous close	Business done
No. 6 Raws			
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
No. 5 Whites			
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]

Sales: No 6 1,477 (3,308) lots of 50 tonnes; No 5 3,153 (1,979).

Tate and Lyle delivery price for granulated basis sugar was £194.00 (£197.00) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean port). Prices for September 3: Daily price 5.61 (5.60); 15-day average 5.56 (5.56).

PARIS—(FFr per tonne): Oct 1083-1085, Dec 1090-1095, March 1120-1125, May 1142-1150, Aug 1167-1176, Oct 1185-1195.

WORLD STOCK MARKETS

NEW YORK

WALL STREET

Depressed in moderate trading

STOCKS REMAINED depressed in moderate trading on Wall Street yesterday ahead of a three-day weekend. Only a moderate upward move in the dollar after the half point rise in the discount rate left investors with little encouragement to buy stocks, traders said.

By 1 pm the Dow Jones Industrial Average was off 12.91 to 2586.58 and the NYSE All Common index shed 53 cents to $178.81. The Transport index lost 7.24 to 1026.48. Declines led advances by a seven-to-five majority in a volume of 108.15m shares.

The Stock Market ignored a lower than expected rise in August employment, analysts said. They explained that while higher rates generally can weigh on stocks, the discount rise strengthens bond prices and the dollar, supporting stocks.

Golden Nugget gained $1⅛ to $13—it said it was buying back a substantial portion of stock.

Active early issues included **IBM**, up $¾ at $162⅞.

Analyst Eugene Peroni of Janney *Montgomery Scott suggested* the discount rise worked both as a means of supporting the dollar and fighting inflation, and also as a dampener on business expansion.

THE AMERICAN SE Market Value index gave way 1.14 to 355.16 in a volume of 9.26m shares.

CANADA

Stocks moved slightly lower in active mid-session trading in reaction to falling crude oil prices and rising US interest rates.

The Toronto Composite index slipped a further 2.70 to 3,959.90.

Interlisted Blue Chips followed Wall Street lower.

Most Banks made gains as US prime rates rose to 8¾ per cent from 8¼ per cent in reaction to a US discount rate rise.

Texaco Canada shed $⅝ to $35—it is cutting crude oil postings by 79 cents a barrel after similar moves by Petro-Canada and Shell Canada earlier this week.

Golds moved higher after Thursday's losses.

Metals continued weaker.

TOKYO

Share prices gained in moderate trade on bargain-hunting after Thursday's sharp declines.

The 225-share market index put on 94.15 to 25,744.03. Advances led declines five-to-four in turnover of 850m (900m) shares.

Brokers said the market had regained some of the confidence lost on Thursday on news **Tateho Chemical Industries** lost about Y20bn in bond futures speculation.

Export-related Electronics, Precision Instrument and Auto issues rose on bargain-hunting. Expectations US interest rates may rise to support the dollar against the yen was also a market factor.

Futuba gained Y550 to 5,450 and **Hirose Electric** Y400 to 4,750.

Securities house stocks recovered after heavy selling on Thursday. Glass/Cement, Shipping, Non-Ferrous Metal, Chemical and Rubber stocks improved.

Some questions remained about the long-term market impact of the Tateho bond trading losses, brokers said.

Securities House shares fell on Thursday because they, like Tateho, are believed to hold hefty bond investments. But with bond prices mostly steady on Friday, bargain-hunters moved into those shares. **Nomura Securities** rose Y90 to 4,760, **Daiwa Securities** Y70 to 3,140 and **Yamaichi** Y40 to 2,490.

Tateho's stocks, which are listed only on the Osaka Stock Exchange, did not trade because sell orders exceeded buy orders. The stock's offer price was Y1,020 at 15.02 local time (06.02 GMT) against Wednesday's closing Y1,520.

Taiyo Kobe Bank, which owns 4.9 per cent of Tateho, lost Y50 to 1,610. However, Nikko Securities, which advised Tateho on investments, gained Y40 to 2,340.

The market feels more relieved because two companies, Mitsubishi Metal, Thursday, and Mitsubishi Cement, yesterday, said they did not do such dangerously speculative investments, said Hiromi Yonema of Wako Securities.

The first section index firmed 0.81 to 2,121.19. The second section index put on 7.57 to 2,673. Turnover 17m (16m) shares.

Bank, Insurance, Railway, Communications, Gas, Real Estate and Construction shares fell.

HONG KONG

Steady close in heavy trading as institutional profit-taking erased strong gains recorded in the morning.

The Hang Seng index edged up 0.53 to 3,654.48 after advancing more than 25 points early in the day. Turnover $HK2.65bn ($HK2.49bn).

Brokers said sentiment remained bullish amid growing signs of an economic boom. But they said investors were moving funds into "second" and "third line" issues that have lagged the market.

HK Telephone climbed 40 cents to $HK14.80 and **China Light** 30 cents to $HK27.

SINGAPORE

Bargain hunting and short-covering helped share prices to rise over a broad front in moderate trading.

The Straits Times Industrial *index gained 25.04 to 1,413.08.* Volume 35.6m (32.5m) shares.

Brokers said market sentiment was still cautious and most foreign institutions refrained from opening new positions due to lack of fresh factors and continued uncertainty about the situation in Malaysia.

Operators were also cautious because of uncertainties surrounding the new Settlement and delivery system to be introduced on the local exchange next Monday.

Selected Malaysian stocks dominated trading.

AUSTRALIA

A series of negative signals from abroad overnight, including weaker international gold prices, pulled the Australian share market lower.

Brokers said a late flurry of buying across the board was unable to make up for early losses following Gold's US$1.90 an ounce retreat in New York, with many leading Mining stocks lower. Industrials were also marked down on profit taking following a lower overnight close on Wall Street.

The All Ordinaries index was 8.8 below Thursday's record close at 2,194.9. The All Industrials index eased 0.9 to 3,233.1, the Gold index 22.8 to 3,967.9 and the All Resources 15.0 to 1,398.1. Turnover 161m shares worth A$370.24m. Rises outnumbered falls by four-to-three.

PARIS

French shares closed the continuous session higher after active trading on good volume. The market was led by the Motor sector following Thursday's announcement of a cut in the VAT rate on cars.

The CAC index closed at 435.9 (429.7).

Foreign and domestic buyers took the declaration on VAT as a heartening sign for the French economy, and all sectors benefited from the strong rise in prices.

Heavy speculative buying on household appliance maker **Moulinex** pushed its "low-priced" stock up FFr 8 to 84.

Food and Drink stocks also gained ground.

GERMANY

Sharply lower on continued speculation that the world's five leading industrial nations would soon lower dollar intervention rates.

Investors kept to the sidelines and turnover was minimal. Dealers said next week's regular meeting of Central Bankers in Basle could eventually lead to a change in the Louvre accord.

They added that West German interest rates could rise in the not too distant future if the US decided to raise its interest rates to brake the dollar's slide. They noted that West German bonds had weakened following the losses in the US.

Closing prices for North America were not available for this edition.

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FINLAND

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

AUSTRALIA (Continued)

HONG KONG

JAPAN

JAPAN (Continued)

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK

DOW JONES

STANDARD AND POOR'S

TRADING ACTIVITY

CANADA

TORONTO

NEW YORK ACTIVE STOCKS

CURRENCIES & MONEY

FOREIGN EXCHANGES

Dollar shows little response

THE US DOLLAR showed a neutral reaction to a surprise half-point increase in the US discount rate and a similar rise in US banks' prime rates. Short covering ahead of the long US weekend virtually ensured that there would be no renewed attempt at pushing the dollar weaker. Traders were not in any mood to run short dollar positions over the weekend because of rising tension in the Gulf and the possibility of central bank intervention.

Taking a slightly longer term view, there was already a clear indication that the US trade deficit was unlikely to show any improvement this year and this tended to hang over the market, effectively excluding any positive reaction to the rise in interest rates.

News of an unchanged unemployment rate of 6 per cent created little response. The dollar closed at DM1.7950 compared with DM1.7935 on Thursday and Y141.70 compared with Y141.0. Elsewhere it finished at SFr1.4870 from SFr1.4835 and FFr6.0075 from FFr6.0025. On Bank of England figures, the dollar's exchange rate index finished at 100.3 from 100.2.

Sterling finished little changed on the day. Its exchange rate index closed at 73.0 compared with 73.1 at the opening and 73.1 on Thursday. Trading was quiet ahead of the weekend and the pound finished at $1.6540 from $1.6580 and DM2.9725, unchanged from Thursday. Against the yen it rose to Y234.50 from Y233.75. It was unchanged against the Swiss franc at SFr2.46 and fell in terms of the French franc to FFr9.9375 from FFr9.9525.

D-MARK—Trading range against the dollar in 1987 is 1.9305 to 1.7690. August average 1.8573. Exchange rate index 147.2 against 147.6 six months ago.

News of a half-point rise in the US discount rate failed to provide any underlying support for the dollar in Frankfurt. It closed at DM 1.7940 down from DM 1.7950 on Thursday.

Dollar sentiment remained extremely bearish and traders were more concerned about next week's US trade figures than anything else.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 138.35. August average 147.57. Exchange rate index 223.7 against 209.0 six months ago.

Short covering ahead of the long weekend in New York pushed the dollar slightly firmer in Tokyo. There was little evidence of any intervention by the Bank of Japan. Most traders considered intervention at this point as being superfluous since position squaring was ensuring demand for the US unit and keeping it steady.

Concern about rising tension in the Gulf also played its part in deterring any temptation to carry short positions over the break.

The dollar closed at Y141.45 against Y140.95 in New York and Y141.20 in Tokyo on Thursday. However, dollar sentiment remained bearish and traders were expecting next week's release to show another set of disappointing trade figures.

£ IN NEW YORK

Sept. 4	Latest	Previous Close
£ Spot	1.6545-1.6555	1.6575-1.6585
1 month	0.37-0.35cpm	0.38-0.37pm
3 months	1.14-1.09pm	1.14-1.11pm
12 months	3.25-3.15pm	3.40-3.30pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	Sept. 4	Previous
8.30 am	73.1	73.0
9.00 am	73.1	73.0
10.00 am	73.2	73.0
11.00 am	73.1	73.0
Noon	73.1	73.0
1.00 pm	73.1	73.0
2.00 pm	73.1	73.0
3.00 pm	73.0	73.1
4.00 pm	73.0	73.1

CURRENCY RATES

Sept. 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.784928	0.697439
U.S. Dollar	5.5	1.29882	1.15391
Canadian $	8.75	[illegible]	[illegible]
Austrian Sch.	4	16.4054	14.5751
Belgian Franc	7¾	48.4655	43.0640
Danish Krone	7	8.99693	7.99258
Deutsche Mark	3.0	2.33229	2.07220
Neth. Guilder	4½	2.62808	2.33321
French Franc	9½	7.80591	6.93502
Italian Lira	12	NA	1501.24
Japanese Yen	2½	183.328	163.336
Norway Krone	8	8.56702	7.61179
Spanish Peseta	—	156.734	139.277
Swedish Krona	7½	8.22543	7.31119
Swiss Franc	3.5	NA	1.71509
Greek Drach.	20½	178.036	158.075
Irish Punt	—	NA	0.778619

*CS/SDR rate for Sept. 3; 1.70475

CURRENCY MOVEMENTS

Sept. 4	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.0	-20.5
U.S. Dollar	100.3	-6.7
Canadian Dollar	78.4	-9.8
Austrian Schilling	138.0	+10.2
Belgian Franc	100.0	-4.6
Danish Krone	91.1	+1.1
Deutsche Mark	147.2	+21.8
Swiss Franc	173.3	+22.0
Guilder	135.4	+15.3
French Franc	71.5	-13.1
Lira	47.2	-18.5
Yen	223.7	+66.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1975=100).

OTHER CURRENCIES

September 4	£	$
Argentina	3.8005-3.8180	2.2980-2.3070
Australia	2.2805-2.2855	1.3815-1.3820
Brazil	80.2505-80.6995	48.5190-48.7610
Finland	7.2095-7.2200	4.3650-4.3680
Greece	225.25-228.85	136.10-138.30
Hong Kong	12.7990-12.8740	7.7990-7.8010
Iran	116.75*	70.90*
Korea(Sth)	1331.65-1343.70	805.50-810.10
Kuwait	0.4615-0.4625	0.2795-0.2800
Luxembourg	61.75-61.85	37.30-37.40
Malaysia	4.1300-4.1600	2.5090-2.5110
Mexico	2481.90-2496.20	1500.00-1508.00
N. Zealand	2.6490-2.6540	1.6035-1.6050
Saudi Ar.	6.1895-6.1930	3.7500-3.7510
Singapore	3.4540-3.4820	2.0920-2.0940
S. Af. (Cm)	3.3370-3.3525	2.0285-2.0345
S. Af. (Fn)	5.4725-5.6595	3.3055-3.4185
Taiwan	49.75-50.00	30.05-30.15
U.A.E.	6.0595-6.0650	3.6725-3.6735

*Selling rate.

POUND SPOT—FORWARD AGAINST THE POUND

Sept 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6480-1.6575	1.6535-1.6545	0.39-0.36 cpm	2.72	1.18-1.13 pm	2.79
Canada	2.1706-2.1800	2.1720-2.1730	0.22-0.13 cpm	0.97	0.62-0.50 pm	1.03
Netherlands	3.34-3.35¼	3.33¾-3.34¾	1⅝-1½ cpm	4.50	4⅛-3¾ pm	4.72
Belgium	61.52-61.97	61.75-61.85	22-15 cpm	3.60	58-47 pm	3.40
Denmark	11.42¼-11.47½	11.45-11.46	¼pm-½ ore dis	-0.39	½-1½ ore dis	-0.33
Ireland	1.1140-1.200	1.1145-1.1155	0.07 dis-0.01 pm	0.43	0.22 dis-0.00 pm	-0.48
W. Germany	2.96¼-2.97½	2.96¼-2.97¼	1½-1⅜ pf pm	6.06	4⅝-4¼ pm	5.97
Portugal	233.83-235.15	233.83-234.83	69-123 c dis	-4.92	251-342 dis	-5.06
Spain	199.13-200.13	199.13-199.58	86-118 c dis	-6.14	197-246 dis	-4.44
Italy	2149½-2158¾	2151½-2152½	5-7 lire dis	-2.79	13-17 dis	-2.79
Norway	10.89-10.94¾	10.92-10.93	3¾-4 ore dis	-4.05	10-10¾ dis	-3.80
France	9.91½-9.94¾	9.93¼-9.94¼	2-1½ c pm	2.11	5¼-4⅝ pm	1.94
Sweden	10.46¼-10.51¼	10.49½-10.49½	1⅝-1 ore pm	0.86	2½-1⅝ pm	0.81
Japan	234-235	234-235	1⅛-1 y pm	5.85	3¾-3½ pm	5.97
Austria	20.87-20.99	20.87-20.90	10¼-9⅛ gro pm	5.57	30⅜-28 pm	5.59
Switzerland	2.45¾-2.46⅛	2.45⅝-2.46⅛	1⅜-1¼ c pm	6.10	4¼-3⅞ pm	6.30

Belgian rate is for convertible francs. Financial franc 62.05-62.15. Six-month forward dollar 2.02-1.97 c pm. 12-month 3.53-3.23 c pm.

POUND SPOT—FORWARD AGAINST THE POUND

Sept 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6480-1.6575	1.6535-1.6545	0.39-0.36 cpm	2.72	1.18-1.13 pm	2.79
Canada	2.1706-2.1800	2.1720-2.1730	0.22-0.13 cpm	0.97	0.62-0.50 pm	1.03
Netherlands	3.34-3.35¼	3.33¾-3.34¾	1⅝-1½ cpm	4.50	4⅛-3¾ pm	4.72
Belgium	61.52-61.97	61.75-61.85	22-15 cpm	3.60	58-47 pm	3.40
Denmark	11.42¼-11.47½	11.45-11.46	¼pm-½ ore dis	-0.39	½-1½ ore dis	-0.33
Ireland	1.1140-1.200	1.1145-1.1155	0.07 dis-0.01 pm	0.43	0.22 dis-0.00 pm	-0.48
W. Germany	2.96¼-2.97½	2.96¼-2.97¼	1½-1⅜ pf pm	6.06	4⅝-4¼ pm	5.97
Portugal	233.83-235.15	233.83-234.83	69-123 c dis	-4.92	251-342 dis	-5.06
Spain	199.13-200.13	199.13-199.58	86-118 c dis	-6.14	197-246 dis	-4.44
Italy	2149½-2158¾	2151½-2152½	5-7 lire dis	-2.79	13-17 dis	-2.79
Norway	10.89-10.94¾	10.92-10.93	3¾-4 ore dis	-4.05	10-10¾ dis	-3.80
France	9.91½-9.94¾	9.93¼-9.94¼	2-1½ c pm	2.11	5¼-4⅝ pm	1.94
Sweden	10.46¼-10.51¼	10.49½-10.49½	1⅝-1 ore pm	0.86	2½-1⅝ pm	0.81
Japan	234-235	234-235	1⅛-1 y pm	5.85	3¾-3½ pm	5.97
Austria	20.87-20.99	20.87-20.90	10¼-9⅛ gro pm	5.57	30⅜-28 pm	5.59
Switzerland	2.45¾-2.46⅛	2.45⅝-2.46⅛	1⅜-1¼ c pm	6.10	4¼-3⅞ pm	6.30

Belgian rate is for convertible francs. Financial franc 62.05-62.15. Six-month forward dollar 2.02-1.97 c pm. 12-month 3.53-3.23 c pm.

EURO-CURRENCY INTEREST RATES

Sept. 4	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sw. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fr. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B. Fr. (Fin.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B. Fr. (Con.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian $Sing.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long-term Eurodollars: Two years 9-9⅛ per cent; three years 9⅜-9½ per cent; four years 9⅝-9¾ per cent; five years 9⅞-10 per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Sept. 4	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.654	2.973	234.5	9.938	2.460	3.343	2152.	2.173	61.80
$	0.605	1.	1.796	141.7	6.008	1.487	2.021	1301.	1.313	37.36
DM	0.336	0.556	1.	78.89	3.343	0.828	1.124	724.0	0.731	20.79
YEN	4.264	7.053	12.68	1000.	42.38	10.49	14.25	9177.	9.264	263.5
F Fr.	1.006	1.664	2.991	236.0	10.	2.475	3.364	2166.	2.186	62.19
S Fr.	0.407	0.672	1.208	95.33	4.040	1.	1.359	874.8	0.883	25.12
H Fl.	0.299	0.495	0.889	70.16	2.973	0.736	1.	643.8	0.650	18.49
Lira	0.455	0.769	1.381	109.0	4.618	1.143	1.553	1000.	1.010	28.72
C $	0.460	0.761	1.368	107.9	4.574	1.132	1.539	990.6	1.	28.45
B Fr.	1.618	2.676	4.810	379.4	16.09	3.981	5.409	3482.	3.515	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

MONEY MARKETS

UK rates little changed

INTEREST RATES in London showed little reaction to a surprise half point rise in the US discount rate. There was no pressure on sterling and after a brief fillip, the dollar resumed its downward path. Consequently UK markets took the rise in their stride and three-month interbank money finished just one-sixteenth of a point firmer at 10 5/16-10 3/16 per cent compared with 10¼-10⅛ per cent on Thursday.

Period rates were a shade easier as the market adjusted is longer term view about the UK economy and its effect on interest rates. Recent comments by Mr Nigel Lawson, UK Chancellor of the Exchequer, stressing the determination of the authorities to keep inflation in check together with encouraging signs from the latest CBI survey meant that last month's rise in clearing bank base rates was probably sufficient to *counter disappointing money supply figures.*

UK clearing bank base lending rate 10 per cent since August 7

Weekend interbank money opened at 10-9¾ per cent and eased to a low of 9 per cent before coming back to 9¾ per cent. However, late balances were taken very cheaply down to 1 per cent.

The Bank of England forecast a shortage of around £200m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £10m and a rise in the note circulation a further £280m. These were partly offset by Exchequer transactions which added £75m and banks' balances brought forward £15m above target.

There was no assistance in the morning by the Bank but in the afternoon the forecast was revised to a shortage of around £300m and the Bank gave assistance of £101m through outright purchases of eligible bank bills in band 1 at 9⅞ per cent. Late help came to £190m, making a total of £291m.

The improved sentiment for interest rate trends was reflected in the weekly Treasury bill tender where the £200m of bills on offer attracted bids of £1,345m against £982m for £300m the previous week. The minimum accepted bid was £97.555 compared with £97.54 and bids at that level were met as to about 19 per cent and above in full against 100 per cent previously. All of the £200m of bills on offer were allotted. Next week a further £200m will be on offer, replacing maturities of £400m.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept.4) 3 months U.S. dollars		6 months U.S. dollars	
bid 7 11/16	offer 7 13/16	bid 7 13/16	offer 7 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

September 4	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.65-3.75	3.80-3.95	3.80-3.95	3.80-4.00	4.15-4.30	5.0
Paris	7⅛-7¼	7⅛-7¼	7⅞-7⅞	7⅞-7⅞	8⅛-8¼	7½
Zurich	⅞-1⅛	3⅛-3⅞	—	3⅝-3⅞	—	—
Amsterdam	5⅛-5¼	5⅛-5½	—	5¼-5⅝	—	—
Tokyo	3.40625	3.71875	—	3.78125	—	—
Milan	11½-12⅛	12-12½	—	12¼-12¾	—	—
Brussels	4.50	6¼-6⅞	—	6⅝-6⅞	—	—
Dublin	9⅞-9⅞	9⅞-9½	9⅝-9¾	9⅞-9⅞	10⅛-10⅝	—

LONDON MONEY RATES

Sept.4	Overnight	7 days notice	Month	Three Months	Six Months	One Year
Interbank	10-1	9⅞-9½	9⅞-9¾	10⅛-10⅛	10½-10⅜	10⅞-10⅞
Sterling CDs.	—	—	9⅞-9⅞	10⅛-10⅛	10⅜-10¼	10½-10⅜
Local Authority Deps.	9¾	9¾	9⅞	10⅛	10⅛	10⅝
Local Authority Bonds	—	—	9⅞	10¼	10½	10⅞
Discount Mkt Deps.	9½-8	9½	9⅞	9⅞	—	—
Company Deposits	9½-8½	9⅞	10-9⅞	10¼	10½	10¾
Finance House Deposits	—	—	9⅞	10¼	10½	10¾
Treasury Bills (Buy)	—	—	9⅞	9⅞	—	—
Bank Bills (Buy)	—	—	9⅞	9⅞	10	—
Fine Trade Bills (Buy)	—	—	10⅛	10½	10⅝	—
Dollar CDs	—	—	7.15-7.10	7.25-7.20	7.65-7.60	8.20-8.15
SDR Linked Deposits	—	—	6⅛-6⅛	6¼-6⅞	6⅝-6½	7⅛-6⅞
ECU Linked Deposits	—	—	7⅛-7	7¼-7⅛	7½-7⅜	7⅞-7⅞

Treasury Bills (sell); one-month 9⅝ per cent; three-months 9 11/16 per cent; Bank Bills (sell): one-month 9 11/16 per cent; three months 9 11/16 per cent; Treasury Bills; Average tender rate of discount 9.7614 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day August 28, 1987. Agreed rates for period September 23 to October 25 1987, Scheme I: 11.24 p.c., Schemes II & III: 11.31 p.c. Reference rate for period August 1 to August 28, 1987, Scheme IV: 10.037 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10 per cent from September 1, 1987: Bank Deposit Rates for sums at seven days' notice 3-3½ per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 8 per cent; one-three months 8¾ per cent; three-six months 10½ per cent; six-nine months 10⅝ per cent; nine-12 months 10¾ per cent; Under £100,000 8 per cent from September 2. Deposits withdrawn for cash 5 per cent.

LONDON STOCK EXCHANGE

International takeover moves feature markets

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Aug 24	Sept 10	Sept 11	Sept 21
Sept 14	Sept 24	Sept 25	Oct 5
Sept 28	Oct 8	Oct 9	Oct 19

** New time dealings may take place from 9.00 am two business days earlier.*

A series of worldwide takeover moves followed by a rise in the US Federal Reserve discount rate gave UK security markets plenty to consider yesterday. Large amounts of cash were involved in the bids, initiated by the Ladbroke group purchase of Hilton International from Allegis Corporation for $1.07bn (£645m). Shareholders will have to put up £254m net in additional funds to finance the acquisition.

The New Zealand-based Brierley Investment arrived next with an all-cash offer for UK insurance company **Equity and Law**, valuing the group at some £367m. A little while later the Australian Bond Corporation announced a $1.2bn cash offer for US brewer G. Heileman, and Philips Lamps appeared on the scene with a new and recommended bid for the 42 per cent not already owned of North American Philips. There were *also two smaller bids for UK companies*, and an approach.

Ladbroke's request for funds adds to the heavy demands being made on market resources via next month's British Petroleum issue and lesser flotations.

Leading shares refused to bow, however, and closed the second leg of the extended trading Account on a rising note. *The main indices sported further double-figure gains before sentiment was clouded by the US market's reaction to the discount rate rise.* The FT-SE 100 share index then drifted back to close a net 6.8 higher at 2,274.9. Its rise since the start of the Account is currently 69.1.

Part of the week's gain reflects a squeeze on traders' book positions. Before Tuesday's balance of payments data many professionals went short of FT-SE futures, and the subsequent covering of these commitments has influenced the direction in the cash market.

But analysts Nick Whitney and Ian Harwood of Warburg Securities write in their weekly equity briefing "the market's reaction to the trade figures suggests that it has come to terms with the prospect of a substantial trade deficit in 1988." The autumn reporting season has so far produced "better than expected company results and that the worst is over, although liquidity concerns may delay the return of the bull market."

Bond prices were showing little change on overnight levels in front of the Fed move. The longs had made a brief excursion into single-figure yield territory, mainly on inter-dealer activity, but in the absence of any fresh European demand lost their improvements. At the shorter end of the sector, a token bid of 93.00 for supplies of the short tap, Treasury 8 per cent 1991, brought the authorities into play again. They remained a seller at that level.

Initially it was thought that the US bond market had discounted the half-point increase to 6 per cent in theFed rate. Immediate Prime rate changes from 8.25 to 8.75 per cent brought little reaction, but Gilt-edged quotations eventually slipped lower with the futures market. A much better week for Gilt-edged thus ended on a slightly hesitant note with longer issues settling ½ down on the day.

Ladbroke, the betting, hotels, property and retailing group, dipped to 428p prior to closing 2 higher on balance at 441p in the wake of the agreement to acquire Hilton International, the hotel chain, from Allegis Corporation of the US for some £645m. Ladbroke is launching a one-for-five rights issue at 378p to raise £254m to help fund the purchase of Hilton, but a company spokesman for Ladbroke said the deal would involve only a minimal and temporary dilution of earnings. It was also confirmed that Ladbroke is no longer in the running as a potential buyer of the MFI business.

Midland Bank shares surged a further 20 to 500p—a two-day rise of 48—after a turnover of 7.6m shares; some 4m "new" shares *also changed hands. The latest* advance by Midland was accompanied by rumours that a major UK industrial group would announce a near-5 per cent stake over the weekend—Hanson Trust was one of the names being mentioned.

But dealers were loathe to discount recent stories that a big stake in Midland could have been accumulated recently by among others GEC or Hongkong and Shanghai Banking. Far eastern buying and renewed support from US sources was also reported, while a switch from 2.4m Barclays to 2.7m Midlands was also said to have taken place.

Traded options business in Midland Bank also expanded substantially yesterday; calls in Midland amounted to 2,372 contracts—with 1,113 contracts written in the December 522s. Puts totalled 700 contracts.

Recent speculation in the life assurance sector that a major bid was in the *offing* was vindicated when New Zealander Ron Brierley's BIL launched a 365p a share *cash bid for Equity & Law, where* Brierley already holds 29.6 per cent.

Dealers immediately marked up Equity and Law's shares to 390p as speculators chased hopes that the Brierley move would provoke a counter offer. Later the price eased a shade to close a net 37 up at 387p. The bid was rejected by Equity and Law as "unwelcome."

A 10 per cent increase in the price of uncut diamonds from October 1 took the market by surprise—*it had been expecting a* price rise in the region of 5 to 7 per cent. De Beers shares were quick to respond to the news and gained 20 to 960p.

The switch from Barclays to Midland, carried out by a leading securities house, depressed the former which closed 13 lower at 550p. *Other leading banks showed* Lloyds 10 down at 343p and Natwest 13 off at 720p.

Merchant banks were quiet but **Morgan Grenfell** dipped 4 to 526p following comment on the interim figures. **National Australian Bank** rose 5 to 252p in the wake of news that Adsteam had purchased 9.8 per cent and intended to increase this to 15 per cent, according to John Spalvin. **Provident Financial**, scheduled to report interim results next Tuesday, put on 10 to 398p.

The Equity and Law bid triggered a wholesale rush to buy other life issues—where bid rumours have been doing the rounds for many weeks. **London and Manchester**, said to be attracting NatWest, Midland and the TSB, jumped 19 to 345p, after 347p, **Pearl** soared another 18 to 408p, after 418p, **Sun Life** rose ⅛ to £11⅛ and **Abbey** 10 to 290½p, after 292p. **Britannic** were up ¼ at £11½ and **Refuge** 17 higher at 574p. Composites faded from the limelight but **Sun Alliance**, still supported by the excellent interims announced on Tuesday, put on 1/16 more to £10½. **Royals**, where "down-under" interests have recently been acquiring large lines of stock, slipped 3 to 547p. Brokers showed a weak feature in **Sedgwick** where interim profits of £81m were well below analysts forecasts which had ranged up to £93m; **Sedgwick** dropped 14 to 290p on a turnover of 3.8m shares.

Breweries met with further selective interest. **Guinness**, reflecting the sale of Drummond Pharmacy Group for £42.6m, improved 10 to 365p. **Bass**, helped by a switch from Scottish and Newcastle recommendation, gained 15 to 954p. The latter reacted 2¼ to 255p, after touching 259p initially. Elsewhere, demand persisted for **H. P. Bulmer** which gained 12 more to 298p.

Blue Circle revealed an impressive set of interim results along with a confident statement, but the price, after touching 500p on the announcement, eased back following a cautious analysts' meeting to close 2 cheaper on balance at 482p. **Rugby**, still reflecting the recent US disposal, added 3 more to 272p, while **Tarmac**, reflecting the presence of a *fairly keen buyer*, hardened a couple of pence to 296p; the latter's interim results are due on September 21. Favourable Press comment in the wake of the uninspiring half-year figures sparked renewed demand for **Taylor Woodrow**, finally 20 higher at 435p, while re-rating suggestions boosted **AMEC** 9 to 362p. **BPB Industries** were supported at 393p, up 8, while **RMC**, reporting shortly, hardened a few pence to 490p. Elsewhere, **Bellway** gained 9 to 285p reflecting the sale of its Cuehold stake to Highland Participants following the latter's offer for A. and P. Appledore. **Raine Industries** attracted a decent buying order after a period of inertia and, helped by subsequent speculative buying, moved up 14 to 148p. **Kentish Properties** rose 20 to 250p and **Ramus** advanced 49 to 277p following newsletter recommendations.

Selected Chemicals remained firm. **ICI** were 1/16 up at £15⅝, while **Laporte**, half-year figures due on September 17, picked up 5 at 549p. **Coates Brothers** rose 23 to 398p on news that Markheath Securities had increased its holding to 15.6 per cent.

The recent spate of bullish circulars on the sector and a continuing bear squeeze helped stores make further good progress. *The Wood Mackenzie "buy"* recommendation lifted **GUS "A"** another ⅛ to £12¾. An early decline in **Storehouse**—again triggered by the absence of a bid—prompted "cheap" buying and the shares picked up to end the day a net 2 up at 371p.

Plessey highlighted the electricals sector with the shares finally 6½ up at 194p—turnover reached 5.6m—ahead of a company presentation to analysts on Monday.

TI Group, a rising market since announcing the Crane US acquisition, encountered a bout of profit-taking and reacted smartly to close 17 lower on he day at 416p. Elsewhere in the Engineering sector, **Davies and Melcalfe "A"** contrasted with a gain of 22 at 150p in the wake of speculative demand.

Manufacturers remained at the forefront of the Food sector, with Retailers practically dormant. A squeeze on bear positions put **Associated British Foods** 10 higher at 366p, while revived bid speculation lifted **S. & W. Berisford** 12 to 348p. **Tate and Lyle**, with a *stake* in Berisford, rose to 844p, while **Dalgety**, preliminary figures due on September 14, gained 11 to 393p. **Unigate** regained composure having been dull on Thursday following the resignation of the finance director and touched 392p on takeover hopes prior to closing unchanged at 384p. **United Biscuits** and **Rowntree** both made progress in the wake of Cadbury Schweppes' impressive results on Thursday, the former firming 5 to 232p and the latter 4 to 576p. Among the occasional movements among Retailers, **J. Sainsbury** picked up 8 at 262p, while **Barker and Dobson** rose 12 to 240p ahead *of Monday's* interim results.

Once again, activity in the miscellaneous was at a low level. Among the occasional noteworthy movements, **Boots** edged up 4 to 311p in the wake of comment on the company's new strategy. **BTR**, up 4 more at 348p, continued firmly awaiting next Wednesday's interim statement.

Elsewhere, **Appledore** jumped 125 to 410 on the share exchange offer or cash alternative from Highland Participants. **Macarthy** also stood out with a rise of 28 at 538p in the wake of the proposed acquisition of Drummond Pharmacy for £42.6m from Guinness and the proposed one-for-one rights issue to raise £51m. Expansion hopes boosted **Reed International** 12 further to 555p, while **Pearson** advanced 15 to 783p on news that planning consent had been granted for the Lakeside shopping centre on the M25 at West Thurrock, Essex. Recent high-flyer, **Highgate and Job** were outstanding at 755p, up 30, while a revival of investment demand left **Associated British Ports** 13 to the good at 592p. **Pentland**, unsettled recently by labour problems in Korea, firmed 7 to 214p. **Williams Holdings**, still responding to the interim results, moved up 10 further to 969p. **Bestwood**, in contrast, closed a few pence easier at 134p following the half-year results and acquisition news. **Redfearn** eased 3 to 527p; the price of 502p quoted yesterday in the London Share Service was incorrect.

Rex Williams Leisure continued to respond to news that Allied Entertainments had bought 16.3 per cent stake in the company and *the price* touched 120p *prior* to closing 18 higher at 116, a two-day *rise* of 24. **Trilion**, however, in which Brent Walker acquired a 27.3 per cent stake on Thursday, encountered profit-taking and fell back 17 to 171p.

Barham Group featured a rise of 16 at 251p in response to news of the agreed bid from International Business Communications. **Williams Collins A** fell back further to 728p, down 10, in the wake of the US deal and £95m rights issue. **Wace Group** were noteworthy for a gain of 17 at 305p.

Leading Properties moved higher with the general trend, **Land Securities** and **MEPC** both *firming 5 to 560p and 539p* respectively. **Slough Estates**, boosted by publicity given to a broker's recommendation, hardened 3 more to 287p; the company revealed interim profits broadly in line with market estimates earlier in the week. A broker's recommendation also helped **Bredero** firm 4 to 245p, while **Hardanger** advanced 40 to 855p in a restricted market. Speculative buying, also in a limited market, lifted **Marler Estates** 1¼ points to £12½ after £13, while a possible offer from an unnamed party of 120p per share cash left **Hampton Trust** 3 up at 119p.

Courtaulds edged 4 higher to 473p in an extremely small volume of trade. Other Textiles were featured by a jump of 35 to 175p in **R. Smallshaw** in the wake of speculative demand.

Oil and Gas shares raced higher during the morning as speculators got wind of stories that a Saudi tanker had been sunk in the Gulf. However, a denial of the tanker sinking story prompted a minor turnround in crude oil prices which, after moving 10 cents higher in the morning, settled unchanged on balance. Oil shares were well below the day's highs but managed to retain minor gains on the day, albeit in very slow trading.

Ultramar were a firm feature and added 7 at 281p after two large blocks of shares changed hands on Thursday. **Britoil** were finally 3½ up at 329p, after 332p, but **BP** closed little changed on the day at 371p, after a turnover of only 3.3m shares.

Overseas Traders continued to respond to Chase Securities' bullish review of the sector. **Harrisons and Crosfield** were up 11 more at 704p, while **Inchcape** gained 10 to 829p. **Polly Peck** picked up 8 at 376p, while, among smaller-priced issues, **Boustead** were noteworthy for a gain of 2 at 65p.

Mining markets made a bright start to the day but paused when *the US authorities announced a* half-point rise in the Fed discount rate, a move which halted the rise in bullion. The latter moved ahead to $465.5 in the morning, dipped back to $462 on the Fed news and then picked up again to trade around $465.25. The Gold Mines index was down 1.6 at 451.2.

Consgold edged up 1/16 to £14 1/16 awaiting a response from the management of Newmont Mining—where Consgold has a 26 per cent stake—to the $95 a share bid from the T. Boone Pickens-led Ivanhoe Partners group; *preliminary* results from Consgold are expected on September 15. **RTZ** drifted back 1/16 to £13¼; the interim figures will be announced on September 17.

FINANCIAL TIMES STOCK INDICES

	Sep. 4	Sep. 3	Sep. 2	Sep. 1	Aug. 28	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	85.72	86.00	85.66	85.33	85.05	88.76	93.32 (8/5)	84.49 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	92.18	92.20	92.24	92.02	92.58	95.01	99.12 (15/6)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1782.1	1774.5	1763.2	1778.9	1759.8	1334.3	1,926.2 (16/7)	1,320.2 (2/1)	1,926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	451.2	452.8	444.9	438.2	431.5	281.2	497.5 (4/8)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.27	3.26	3.28	3.25	3.28	4.14				
Earnings Yld.%(full)	8.07	8.06	8.06	7.99	8.06	9.52				
P/E Ratio (net) (*)	15.21	15.23	15.25	15.38	15.24	12.90				
SEAQ Bargains (5 pm)	34,432	33,061	29,106	29,790	28,350	—				
Equity Turnover (£m)	—	—	1320.40	1066.32	754.42	623.48				
Equity Bargains	—	—	35,030	36,996	31,421	22,620				
Shares Traded (ml)	—	—	—	314.7	333.4	276.0				

S.E. ACTIVITY

Indices	Sep. 3	Sep. 2
Gilt Edged Bargains	—	123.6
Equity Bargains	—	227.0
Equity Value	—	2668.9
5-Day Average		
Gilt Edged Bargains	—	110.7
Equity Bargains	—	229.5
Equity Value	—	2151.2

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
—	1787.9	1788.3	1789.7	1787.8	1786.9	1782.7	1780.5

Day's High 1791.4 Day's Low 1780.1. Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=14.95. Corrected: P/E Ratio (nil) 3/9/87, 14.98.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Allied Lyons (*419)	390	40	52	63	7	12	18
	420	21	33	45	18	27	33
	460	6	18	30	47	52	55
Brit. & Comm. (*488)	460	48	65	80	10	18	22
	500	25	42	57	22	32	38
	550	7	20	35	65	68	70
Brit. Airways (*190)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
British Gas (*173)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B.P. (*371)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Britoil (*329)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Gold (*1443)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*473)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*361)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable & Wire (*395)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*231)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*542)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*1599)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Securities (*560)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Spen. (*233)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rolls-Royce (*214)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*1373)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trafalgar House (*567)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TSB (*137)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Woolworth (*863)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Guinness (*365)	330	47	55	63	7	13	15
	360	24	35	45	15	25	28
	390	12	25	—	33	40	—
Ladbroke (*436)	420	—	45	56	—	23	28
	443	20	—	—	30	—	—
	460	12	26	37	42	47	52
LASMO (*375)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Plessey (*193)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prudential (*1023)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*708)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*330)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*1310)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*146)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tr. 11¾% 1991 (*106)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tr. 12% 1995	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tr. 11¾% 03/07 (*113)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Sept	Calls Dec	Calls Mar	Puts Sept	Puts Dec	Puts Mar
Amstrad (*175)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beecham	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BTR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Blue Circle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dixons	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Glaxo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sears	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thorn EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
Barclays	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jaguar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Midland Bk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAA (*136)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brit. Aero	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT Inds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brit. Telecom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cadbury Schweppes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Sep.	Oct.	Nov.	Dec.	Sep.	Oct.	Nov.	Dec.
FT-SE Index (*2275)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

September 4. Total Contracts 33,927. Calls 20,687. Puts 13,240. FT-SE Index Calls 1,724. Puts 1,942. *Underlying security price.

TRADED OPTIONS

Turnover in traded options contracted marginally with 20,687 calls and 13,240 puts, giving a total of 33,927 contracts.

Traditional Options

- First dealings Sept 1
- Last dealings Sept 18
- Last declaration Dec 3
- For Settlement Dec 14

For rate indications see end of London Share Service

Money was given for the call of H. P. Bulmer, Control Securities, Raglan, Rothmans, NMW Computers, Eagle Trust, Storehouse, Blacks Leisure, Norfolk Capital, Belhaven, Stormgard, Rotaprint, Holmes Protection, Pentland Industries, Greenwich Resources, Polly Peck, Amstrad, Dares Estates, Inoco and Central and Sheerwood. No puts or double options were reported.

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (82)

AMERICANS (1), CANADIANS (2), BANKS (2), BUILDINGS (1), CHEMICALS (5), STORES (5), ELECTRICALS (5), ENGINEERING (7), FOODS (1), HOTELS (2), INDUSTRIALS (12), LEISURE (5), MOTORS (2), NEWSPAPERS (1), PAPERS (4), PROPERTY (1), TRUSTS (19), OVERSEAS TRADERS (2), MINES (4), THIRD MARKET (1).

NEW LOWS (4)

AMERICANS (1), Pennzoil, INDUSTRIALS (1), Economic Forestry, TRUSTS (2), Liberty All-Star, Biotechnology Invs.

LONDON STOCK EXCHANGE

DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date.

‡ Bargains at special prices. ◆ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

Corporation and County Stocks No. of bargains included4

Greater London Council6¾% Stk 90/92 – £85½ 6
Birmingham Corp3½% Stk 1946(or after) – £25 (28Au87)
Birmingham District Council11½% Red Stk 2012 – £102¾ (28Au87)
Hull Corp3½% Stk(2nd Ise) – £25
Salford Corp5¾% Red Stk 86/88 – £92¾ (1Se87)
Sunderland(Borough of)11½% Red Stk2008 – [illegible]

UK Public Boards

[illegible]

Commonwealth-Government

[illegible]

Foreign Stocks, Bonds, etc-(coupons payable in London)

[illegible]

Sterling Issues by Overseas Borrowers

[illegible]

Banks and Discount Companies

[illegible]

Rea Brothers Group PLC8.8% Cum Cnv Prf £1 – 182 5
TSB Group PLCOrd 25p – 131 1 2 2 3 3 .138 4 4 5
Warburg (S.G.) Group PLC7¾% Cum Prf £1 – 99

Breweries and Distilleries No. of bargains included462

Allied-Lyons PLC5½%-Cum Prf £1 – 48 50 (1Se87)
7½% Cum Prf £1 – 71
3% Red Deb Stk 85/90 – £80◆
[illegible]

Commercial, Industrial, etc

[illegible]

Financial Trusts, Land, etc

[illegible]

Insurance

[illegible]

Investment Trusts

[illegible]

Unit Trusts

[illegible]

Registered Housing Associations

[illegible]

Mines – Miscellaneous

[illegible]

Mines – South African

[illegible]

Oil

[illegible]

Property

[illegible]

Plantations

[illegible]

Railways

[illegible]

Shipping

[illegible]

Utilities

[illegible]

Water Works

[illegible]

USM Appendix

[illegible]
Hornby Group PLCOrd 5p – 158
Johnson Fry PLCOrd 10p – 315
Knobs & Knockers PLCOrd 10p – 150 3
Partway Group PLCOrd 5p – 248 50 2 3
RKF Group PLCOrd 10p – 111 1 2
Rivlin PLC5.125% (Net) Cnv Cum Red Prf £1 – 100 2 2 3 3 4
Rockwood Holdings PLCNew Ord 10p (Nil Pd–10/9/87) – 3 5
Ross Consumer Electronics PLCOrd 10p – 228 (28Au87)
Rural Planning Services PLCOrd 3p – 82 4
Shelton (Martin) Group PLCOrd 10p – 75 6
Sigmex International PLCOrd 10p – 63
Splash Products PLCOrd 10p – 90 3 5 (2Se87)
Yelverton Investments PLC8% Cnv Uns Ln Stk 1997 (Nil Pd–15/9/87) – £3 (28Au87)

The Third Market Appendix

No. of bargains included218

Ardmore Petroleum PLCOrd Ir£0.25 – 20½ (2Se87)
Chemex International PLCOrd 5p – 82 5 6 6 7 9
Gardner (J) Group PLCNew Ord 5p (Fp/LA–4/9/87) – 83◆
Honorbilt Group PLCNew Ord 5p (Fp/LA–11/9/87) – 33 4 5 ½ 6 ½ 7 ½ 8
Leading Leisure PLCOrd 5p – 118 8 ½ 20 20 1 3 3 4 5 5 6 7 8
Medimco PLCOrd 10p – 145
Warrants to sub for Ord – 58 (2Se87)
UPL Group PLCNew Ord 10p (Fp/LA–18/9/87) – 140 (2Se87)

RULES 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland Quotations has not been granted in London and dealings are not recorded in the Official List.

Acmex Hldgs 255◆ (2/9)
Acorn Secs 120◆ 118 122 123
American Barr & Resources Cpn (npv) £14◆ (2/9)
Amsterdam-Rotterdam Bk Fl 87.7 (2/9)
Anglo-Alpha 300 (2/9)
Aust Dev 225 (2/9)
Aust Foundation Inv 67 (1/9)
Bamboo Gold Mines 8 (1/9)
Black Hill Mins 13◆ (28/8)
CSF (Thomson-CSF) FFr 1310 1320
Cent Norseman Gold 124 A$2.80 2.89 2.95
Cerebos Pac $5 6.93 (2/9)
[illegible] (2/9)
City Devs $S5.06
Coxes Aust 6
Cons Pet Aust 11 (3/9)
Dainel Chem Inds Y8500 (1/9)
Development Bk of Singapore S$16.0 16.119
Forest Laboratories £17◆ (2/9)
Free State Cons Gld Mines (R0.50) $17⅞
Gentherm Inds 175
Golconda Minerals 55
Golden Valley Mines 56◆
Groupe Bruxelles Lambert BFr 139 164 167◆ (2/9)
HK-TVB 135 $H17.2 (2/9)
Holiday Corpn £17.65◆ (2/9)
INT Mining 18 (1/9)
Invincible Gld A$0.30 (A$0.20) 28
Jones Mining (A$0.20) 75½ 6 A$1.736 (2/9)
Keystone Intnl $21¼◆ (28/8)
Killinghall Tin (Malaysia) Berhad 50 (1/9)
Kulim Malaysia 40 (1/9)
Matsushita Elec Indus $16.37 Y2,280 2,315.55 2,325 2,328
Mincorp Petroleum $A0.365
Mitsubishi Heavy Inds Y613.0
Mount Pleasant Resources $A0.81 (3/9)
NZ Forest Products $NS5.1
National Electronics (Consolidated) 8½
Nationale-Nederlanden CVA (Fl2.5) Fl75 75¼
Niugini Mining $A14.81 (2/9)
North Flinders Mines 625 (2/9)
Oil Search 78 9 80 1 $A1.9
Overseas Chinese Banking Corp 320◆ (28/8)
Petrocarb Exploration $A0.2
Pioneer Electronic Corp Y2880
Plenty River Mining Co 11
Poseidon 308 $A6.74 7.17 7.20 7¼
Regal Hotels (Hldgs) 27½
Royex Gold Mining Corp 230 (1/9)
Schering-Plough Corp £31½
Seagull Energy Corp £13½ (28/8)
Sensormatic Electronics 662½
Service Corp Int £17.91 (2/9)
Singapore Land S$8.0◆ (28/8)
Societe Nationale Elf Aquitaine $62.4 Fr377 380½
Source Perrier Fr905 15 (2/9)
Square Gold & Minerals 66
Sun Hung Kai Co 39 $H5.075 (2/9)
Sun Hung Kai Properties $H18.95
Sky Line Exploration Com NPV 625◆ 612½ (1/9)
Swire Pacific "B" $H4.55
Sydney Oil Co 25 (2/9)
Terramar Resources $A0.228
Valiant Consolidated 21 (1/9)
Vuitton (Louis) Fr 1171 1189 1205 1215
Wattle Gully Gold Mines $A0.21 (28/8)
Westfield Minerals $C3.675◆ (2/9)
Wharf Hldgs $HK10.266
Zanex 12◆ (1/9)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange.

Kenmare Res (Ir0.25) 62

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration.

Adnams 'A' £16.00 (2/9)
Alliance & Leicester Bldg Soc 11½pc Bnds £99.943 99.963 (1/9)
Amal. Metal Corp 6pcPf (£1) 25 35. Do 5.4pcPf (£1) 35 42
Ann Street Brewery (£1) 755 (3/9)
Barbican Hldgs (1p) 4½ ¾ 5½ 6
Berwick Grp (5p) 58 60 (2/9)
Burroughs (James) 420 50 (3/9)
Channel Hotels & Props (10p) 175 475 (1/9)
Dart Valley Light Rlwy (£1) 200 5 (3/9)
European Hldgs (10p) 20
Fredericks Place (20p) 100 15 (2/9)
Greenstar Hotels (10p) 26 (2/9)
Hard Rock Cafe (2p) 190 1 ¼
Hydro Hotel (Eastbourne) (£1) 330 5
Jennings Bros 205 (3/9)
Jersey Gas 3pcPf (£1) 26
Jersey New Waterwks 2pcPf (£5) 85. Do 3¾pcPf (£5) 160. Do. 5pcPf (£5) 215
Kunick Leisure (10p) 38 43 5 7
Le Riches Stores (£1) 440
Lincolnshire Standard 400 (1/9)
Liverpool FC (£5) 255 (3/9)
London Wall Hldgs (£1) 267 70
Manchester Utd FC (£1) 400 (2/9)
Merchant Manufactory Estate (£1) 150
Merrett (10p) 475
Norton Villiers Triumph (1p) 7¼ ½ ¾ 8 ½
Portsmouth Water 4pcPerpDb £23 (1/9)
Red Rose Radio A NV (10p) 125
Weetabix A (Non-Vtg) 315 25

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WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY SEPTEMBER 3 1987					WEDNESDAY SEPTEMBER 2 1987			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (93)	168.10	+1.2	150.31	155.07	2.38	166.15	149.29	153.49	168.10	99.92	78.47
Austria (16)	98.32	+0.4	87.92	91.66	2.24	97.88	87.95	91.82	101.62	85.53	94.21
Belgium (48)	134.29	+0.8	120.08	124.02	3.80	133.22	119.70	123.86	134.89	96.19	92.27
Canada (129)	136.81	−0.5	122.34	130.23	2.28	137.50	123.55	130.88	141.78	100.00	100.93
Denmark (39)	123.16	+0.5	110.13	115.50	2.41	122.55	110.11	115.67	124.21	98.18	93.11
France (121)	116.57	+1.8	104.23	109.75	2.56	114.53	102.91	108.42	121.82	98.39	100.28
West Germany (92)	104.29	−0.4	93.26	97.24	1.94	104.72	94.10	98.16	104.93	84.00	96.89
Hong Kong (45)	147.36	+0.3	131.77	147.62	2.37	146.87	131.97	147.20	147.36	96.89	77.89
Ireland (14)	145.31	+0.8	129.94	137.88	3.24	144.14	129.51	137.37	145.41	99.50	84.73
Italy (76)	87.71	−1.8	78.43	85.15	2.13	89.30	80.24	87.10	112.11	84.22	106.85
Japan (458)	149.67	−1.5	133.84	133.40	0.51	151.91	136.49	135.34	161.28	100.00	98.85
Malaysia (36)	168.42	−2.7	150.60	162.81	2.28	173.08	155.52	167.26	193.64	98.24	94.23
Mexico (14)	374.62	+0.9	334.99	615.82	0.49	371.20	333.54	607.97	374.62	99.72	59.44
Netherland (37)	127.48	−0.5	113.99	117.47	3.80	128.12	115.12	118.71	131.41	99.65	102.10
New Zealand (24)	128.72	+1.9	115.10	110.49	2.69	126.28	113.47	108.79	128.72	83.93	70.58
Norway (24)	177.38	+1.2	158.62	158.30	1.71	175.24	157.46	157.34	177.38	100.00	109.08
Singapore (27)	163.71	−2.3	146.39	158.35	1.54	167.57	150.57	162.25	174.28	99.29	90.93
South Africa (61)	187.41	+1.6	167.58	136.57	3.01	184.37	165.66	136.65	198.09	100.00	95.85
Spain (43)	158.99	−1.4	142.17	145.08	2.72	161.19	144.84	147.64	161.19	100.00	101.13
Sweden (33)	128.52	+0.4	114.93	120.30	1.92	128.05	115.05	120.32	130.84	90.85	93.24
Switzerland (53)	109.62	+0.6	98.02	100.82	1.64	108.95	97.89	100.54	109.62	92.01	96.28
United Kingdom (333)	153.91	+1.3	137.63	137.63	3.21	151.94	136.52	136.52	162.87	99.65	101.85
USA (589)	130.80	−0.5	116.96	130.80	2.80	131.42	118.08	131.42	137.42	100.00	105.77
Europe (929)	127.98	+0.6	114.44	117.32	2.79	127.27	114.35	117.24	128.35	99.78	100.30
Pacific Basin (683)	150.20	−1.3	134.31	134.50	0.65	152.19	136.75	136.25	158.77	100.00	97.34
Euro—Pacific (1612)	141.38	−0.6	126.43	127.66	1.42	142.30	127.86	128.69	143.65	100.00	98.52
North America (718)	131.12	−0.5	117.25	130.79	2.77	131.74	118.37	131.41	137.55	100.00	105.52
Europe Ex. UK (596)	111.89	−0.1	100.05	104.72	2.43	111.96	100.60	105.32	111.97	98.02	99.40
Pacific Ex. Japan (225)	156.77	+0.7	140.19	148.16	2.35	155.71	139.92	147.35	156.77	99.92	78.52
World Ex. US (1816)	141.87	−0.6	126.86	128.15	1.47	142.73	128.25	129.15	143.38	100.00	98.52
World Ex. UK (2072)	135.94	−0.8	121.55	128.50	1.82	136.97	123.07	129.57	138.82	100.00	101.31
World Ex. So. Af. (2344)	137.21	−0.6	122.69	129.25	1.95	138.00	124.00	130.12	139.47	100.00	101.37
World Ex. Japan (1947)	131.74	+0.0	117.80	127.29	2.76	131.79	118.42	127.59	134.03	100.00	102.53
The World Index (2405)	137.53	−0.6	122.98	129.34	1.96	138.30	124.26	130.20	139.73	100.00	101.34

Base values: Dec 31, 1986 = 100

Latest price changes were unavailable for this edition.

EUROPEAN OPTIONS EXCHANGE

Series		Vol.	Last	Vol.	Last	Vol.	Last	Stock
		Nov 87		Feb 88		May 88		
GOLD C	$500	106	8.50	92	18	—	—	$464.00
GOLD C	$420	10	2.50	—	—	—	—	"
		Sep 87		Oct 87		Nov 87		
S/Fl. C	Fl.200	190	2.30	20	4.30	1	4.80A	SFl.202.10
S/Fl. C	Fl.205	54	0.80	35	1.80	60	2.80	"
S/Fl. C	Fl.210	100	0.20	24	0.90	—	—	"
S/Fl. C	Fl.215	15	0.10	—	—	—	—	"
S/Fl. P	Fl.200	96	1.10	41	2	30	3.10	"
S/Fl. P	Fl.205	171	3.80	190	5	11	6.20	"
		Dec 87		Mar 88		June 88		
S/Fl. C	Fl.190	—	—	10	12.50	—	—	Fl.202.10
S/Fl. C	Fl.200	59	5.40	14	6.50	18	7.40	"
S/Fl. C	Fl.205	72	2.90	8	4.60	100	5.40	"
S/Fl. C	Fl.210	12	1.55	40	3	3	3.50	"
S/Fl. C	Fl.215	23	0.70	—	—	104	2.40	"
S/Fl. C	Fl.220	—	—	10	1.40	16	2	"
S/Fl. P	Fl.195	15	2.20	—	—	4	5.90	"
S/Fl. P	Fl.200	42	4.10	—	—	—	—	"
S/Fl. P	Fl.205	36	6.70	2	9	1	10.70	"
S/Fl. P	Fl.210	11	10.80	—	—	—	—	"
S/Fl. P	Fl.225	—	—	20	24.70	—	—	"
S/Fl. P	Fl.235	20	33.70	—	—	—	—	"
		Oct. 87		Jan. 88		Apr. 88		
ABN C	Fl.50	906	1.10	195	3.20	20	3.50A	Fl.48.50
ABN P	Fl.48	369	1.20	160	1.90	—	—	"
AEGON C	Fl.95	406	0.80	32	3.30	5	5.30	Fl.86.30
AEGON P	Fl.90	5.50	36	6.20B	55	7.30	—	"
AHOLD C	Fl.100	43	3.80	—	—	—	—	Fl.101
AHOLD P	Fl.105	154	6.50B	26	7.40	—	—	"
AHOLD P	Fl.109.10	10	2.50	—	—	—	—	"
AKZO C	Fl.180	997	3.20	149	7.60	24	11.60	Fl.173
AKZO P	Fl.160	195	2	53	4.60B	2	5.70	"
AMEV C	Fl.70	94	0.50	7	1.50	—	—	Fl.59.40
AMEV P	Fl.60	35	2.30	36	4	26	5	"
AMRO C	Fl.85	171	3.80	54	7	—	—	Fl.86.40
AMRO P	Fl.75	15	0.20	40	1.30	—	—	"
ELSEVIER C	Fl.60	377	6.60	74	9.50	59	10.20	Fl.64
GIST-BROC.C	Fl.50	204	0.90	611	2.50A	21	3.50	Fl.46.40
GIST-BROC. P	Fl.50	149	4.20	10	5.20	—	—	"
HEINEKEN C	Fl.180	204	6.50	2	12	—	—	Fl.177.50
HEINEKEN P	Fl.180	774	8.40	73	10.50	2	14	"
HOOGOVENS C	Fl.55	46	0.50	36	2.20	6	3.80	Fl.47.60
HOOGOVENS P	Fl.45	614	1.30	2	2.70	12	3.70	"
KLM C	Fl.50	433	2.80	91	5.30	—	—	Fl.51
KLM P	Fl.55	192	4.90	1	5.50B	—	—	"
NEDLLOYD P	Fl.170	90	4.60	—	—	—	—	Fl.79.50
NAT.NED. C	Fl.80	131	1	104	3.60	2	5.30	Fl.75
NAT NED P	Fl.75	205	44	3.70	2	4.50	—	"
PHILIPS C	Fl.55	312	1	251	2.50	69	3.70	Fl.51.90
PHILIPS P	Fl.50	32	0.80	109	2.20	2	3.20	"
ROYAL DUTCH C	Fl.290	296	1.90	591	5.70	15	10	Fl.264
ROYAL DUTCH P	Fl.260	610	6.30	162	9.50B	24	11	"
ROBECO C	Fl.110	1	2.50	20	3.50	10	5	Fl.110
UNILEVER C	Fl.136	416	4.70	47	11	—	—	Fl.134.10
UNILEVER P	Fl.132	896	3	133	5.10	—	—	"

TOTAL VOLUME IN CONTRACTS: 45,061

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	Nat Bk. of Kuwait	10
Adam & Company	10	Citibank NA	10	NatWestminster	10
Allied Arab Bk Ltd	10	City Merchants Bank	10	Northern Bank Ltd	10
Allied Dunbar & Co	10	Clydesdale Bank	10	Norwich Gen. Trust	10
Allied Irish Bank	10	Comm. Bk. N. East	10	PK Finans. Intl (UK)	10½
American Exp. Bk	10	Consolidated Cred	10	Provincial Trust Ltd	11
Amro Bank	10	Co-operative Bank	*10	R. Raphael & Sons	10
Henry Ansbacher	10	Cyprus Popular Bk	10	Roxburghe G'antee	10½
ANZ Banking Group	10	Duncan Lawrie	10	Royal Bk of Scotland	10
Associates Cap Corp	10	Equat'r'l Tst.C'p plc	10	Royal Trust Bank	10
Authority & Co Ltd	10	Exeter Trust Ltd	10½	Smith & Williamson Secs	10
Banco de Bilbao	10	Financial & Gen. Sec	10	Standard Chartered	10
Bank Hapoalim	10	First Nat. Fin. Corp	11	TSB	10
Bank Leumi (UK)	10	First Nat. Sec. Ltd	11	UDT Mortgage Exp	¶11.1
Bank Credit & Comm	10	● Robert Fleming & Co	10	United Bk of Kuwait	10
Bank of Cyprus	10	Robert Fraser & Ptrs	11	United Mizrahi Bank	10
Bank of Ireland	10	Girobank	10	Unity Trust PLC	10
Bank of India	10	Grindlays Bank	10	Western Trust	10
Bank of Scotland	10	● Guinness Mahon	10	Westpac Bank. Corp	10
Banque Belge Ltd	10	HFC Trust & Savings	10	Whiteaway Laidlaw	10½
Barclays Bank	10	● Hambros Bank	10	Yorkshire Bank	10
Benchmark Tst Ltd	10	Heritable & Gen. Tst	10		
Beneficial Trust Ltd	11	● Hill Samuel	§10		
Berliner Bank AG	10	C. Hoare & Co	10		
Brit Bk of Mid East	10	Hongkong & Shangh	10		
● Brown Shipley	10	Lloyds Bank	10		
Business Mtge Tst	10	Meghraj & Sons Ltd	10		
CL Bank Nederland	10	Midland Bank	10		
Canada Permanent	10	● Morgan Grenfell	10		
Cayzer Ltd	10	Mount Credit Corp. Ltd	10		

● Members of the Accepting Houses Committee. * 7-day deposits 5%. Surewise 7.66%. Top Tier—£2,500+ at 3 months' notice 9.31%. At call when £10,000+ remains deposited. ¶ Mortgage base rate. § Demand deposit 4.98%. Mortgage 10.5%.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	2,400	198	—	Ladbroke	5,900	441	+2
Allied Lyons	2,600	419	+1	Land Securities	1,100	560	+6
Amstrad	795	176	+1	Legal & Gen.	2,300	392½	+6½
Argyll Group	929	427	+3	Lloyds Bank	800	349	−10
Assoc. Brit. Foods	776	366	+10	Lonrho	663	303	−2
BAT	1,800	662	+1	Lucas	2,200	275	+1
BET	2,600	270	−6	MEPC	890	599	+4
BICC	498	406	+4	Marks & Spencer	2,200	231	−2
BOC	1,300	598	+1	Midland Bank	7,600	500	+20
BPB Inds	1,100	393	+8	Natwest Bank	2,000	720	−15
BPCC	4,000	390	−5	Next	1,600	349	+10
BTR	2,100	348	+4	Pearson	1,100	785	+15
Barclays	4,300	550	−13	P & O	707	696	−1
Bass	636	954	+15	Pilkington Bros	2,300	291	−1
Beecham	1,400	531	+1	Plessey	5,600	194	+6½
Blue Circle	2,600	482	−2	Prudential	360	£10¼	—
Boots	3,600	311	+4	Racal	2,500	308	+3
Brit. Airways	3,100	190	+2	Rank Org.	661	697	+2
Brit. Aero	658	502	−2	RHM	320	328	+1
Brit. & Comm.	142	488	+1	Reckitt & Col	116	£11⅛	—
British Gas	4,800	173	+1½	Redland	710	514	−3
Britoil	3,400	329	+3½	Reed Intl.	2,300	554	+11
BP	3,300	371	−½	Reuters	619	868	+1
Brit. Telecom	9,000	269½	+½	RMC	335	490	+2
Bunzl	469	237	−1	RTZ	324	£15⅝	−⅛
Burton	3,100	296	+5	Rolls-Royce	9,000	114	−2
Cable & Wire	11,000	439	+3	Rowntree	271	576	+4
Cadbury Schwps	4,900	276	+2	Ryl Bank Scotland	952	389	−2
Coats Viyella	321	363	−1	Royal Insurance	1,100	545	−3
Comm. Union	1,200	361	—	STC	3,300	294	−1½
Cons. Gold	1,000	£14⅛	+⅛	Saatchi & Saatchi	333	651	−4
Cookson	444	825	−6	Sainsbury	1,400	262	+8
Courtaulds	212	473	+4	Scott & Newcastle	3,700	255	−2½
Dee Corpn	646	233	+1	Sears	2,300	165	+1½
Dixons Group	5,100	363	+5	Sedgwick	3,800	290	−14
English China Clays	296	484	+3	Shell Trans	693	£13¼	—
Fisons	735	357	+3½	Smith & Nephew	375	167½	−1
Gen. Accident	273	£10¼	—	Standard Chart	21	812	−3
Gen. Elect	8,900	213	+½	Storehouse	2,800	371	+2
Glaxo	1,200	£17	+⅛	Sun Alliance	160	£10½	+⅛
Globe Investment	172	179	—	TSB	2,200	137	—
Granada	570	336	+7	Tarmac	1,400	296	+3
Grand Met	2,500	542	+3	Tesco	5,800	188	+2
GUS "A"	399	£12¼	+⅛	Thorn EMI	537	662	—
Guardian R.E.	710	999	−7½	Trafalgar House	726	367	+7
GKN	481	392	+½	T'house Forte	1,900	257	+5
Guinness	3,700	365	+10	Ultramar	2,900	281	+7
Hammerson	193	660	+7	Unigate	3,400	384	—
Hanson Trust	2,300	187	—	Unilever	934	619	−4
Hawker Sidd	167	588	−5	United Biscuits	1,500	323	+5
Hillsdown Hldgs	3,400	235	—	Wellcome	658	448	−4
ICI	1,100	£15⅝	+⅛	Whitbread "A"	495	345	+2
Jaguar	1,200	542	−4	Woolworth	1,300	361	—

LEADERS AND LAGGARDS

Percentage changes since December 31 1986 based on Thursday September 3 1987

Mining Finance	+97.65	500 Share Index	+38.97
Publishing & Printing	+73.82	All-Share Index	+38.43
Metals and Metal Forming	+60.22	Other Groups	+37.72
Property	+56.10	Capital Goods	+37.64
Overseas Traders	+55.41	Industrial Group	+37.41
Agencies	+52.11	Consumer Group	+37.06
Gold Mines Index	+51.84	Food Manufacturing	+36.55
Textiles	+51.37	Insurance (Composite)	+35.83
Health & H'sold. Products	+49.49	Financial Group	+33.01
Oils & Gas	+48.41	Mechanical Engineering	+32.21
Chemicals	+45.18	Electronics	+31.90
Contracting, Construction	+44.30	Investment Trusts	+30.08
Shipping and Transport	+43.15	Conglomerates	+29.48
Merchant Banks	+42.49	Food Retailing	+27.98
Motors	+41.56	Stores	+27.53
Other Industrial Materials	+40.32	Insurance (Life)	+27.34
Electricals	+39.76	Telephone Networks	+26.17
Leisure	+39.42	Brewers & Distillers	+24.44
Building Materials	+39.32	Banks	+18.21
Packaging & Paper	+39.02	Insurance Brokers	+10.56

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On Friday Rises	On Friday Falls	On Friday Same
British Funds	20	76	17	300	118	34
Corporations, Dom. and Foreign Bonds	1	14	41	72	36	116
Industrials	518	335	727	1,880	1,617	2,824
Financial and Props.	181	109	319	670	566	1,200
Oils	23	28	64	115	123	222
Plantations	1	2	11	5	12	39
Mines	32	62	96	244	165	351
Others	55	107	68	197	470	311
Totals	831	733	1,343	3,483	3,107	5,097

BANK RETURN

BANKING DEPARTMENT	Wednesday September 2, 1987	Increase (+) or decrease (−) for week
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	97,219,455	+ 5,264,525
Bankers Deposits	1,136,899,214	+ 123,235,137
Reserve and other Accounts	1,801,813,906	− 407,398,386
	3,050,485,575	− 278,898,200
ASSETS		
Government Securities	754,131,049	− 132,035,000
Advance and other Accounts	1,377,566,791	+ 532,044,379
Premises Equipment & other Secs	910,868,808	− 673,145,876
Notes	7,660,318	− 5,726,593
Coin	258,609	− 15,634
	3,050,485,575	− 278,898,724

ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes in Circulation	13,492,339,682	+ 115,726,593
Notes in Banking Department	7,660,318	− 5,726,593
	13,500,000,000	+ 110,000,000
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,079,531,009	− 151,157,783
Other Securities	5,409,453,891	+ 261,157,783
	13,500,000,000	+ 110,000,000

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Mercury Fund Managers Ltd (c)
33 King William St, EC4R 9AS 01-280 2860

American Growth	111.9	118.6	-1.0	1.25
(Accum Units)	117.2	124.0	-1.0	1.25
American Income	51.9	54.9	-0.2	4.02
(Accum Units)	54.6	54.8	-0.2	4.02
American Sml Cos Fd	50.9	53.8	-0.8	0.46
(Accum Units)	50.9	53.8	-0.8	0.46
British Blue Chip Fund	52.4	55.4	+0.2	2.24
(Accum Units)	52.4	55.4	+0.2	2.24
European Growth	158.2	167.9xd	+0.8	1.48
(Accum Units)	165.8	175.4xd	+1.0	1.48
European Income	86.2	91.2	-0.3	3.31
(Accum Units)	90.6	95.8	+0.3	3.31
Exempt	349.2	358.1xd	----	2.26
(Accum Units)	552.2	566.3xd	----	2.26
General	389.0	405.7xd	+7.3	1.33
(Accum Units)	640.1	677.3xd	+3.8	1.33
Gilt	86.6	87.0	-0.2	7.61
(Accum Units)	103.0	103.5	+0.0	7.61
Global Fund	51.9	54.9	-0.1	0.64
(Accum Units)	51.9	54.9	-0.1	0.64
High Income Fund	53.6	56.7xd	+0.5	4.75
(Accum Units)	54.5	57.6xd	+0.5	4.75
High Interest Fund	43.1	45.6	+0.1	9.09
(Accum Units)	43.5	46.0	+0.1	9.09
Income	127.2	134.5xd	+1.1	2.68
(Accum Units)	146.8	155.3xd	+1.4	2.68
International	311.9	330.0	-0.1	1.34
(Accum Units)	390.3	413.0	-0.1	1.34
Japan	212.5	224.8	+0.2	0.50
(Accum Units)	218.1	230.7	+0.2	0.50
Pacific Fund	57.9	61.2	-0.4	0.10
(Accum Units)	57.9	61.2	-0.4	0.10
Recovery	322.5	341.2	+1.5	1.34
(Accum Units)	350.6	371.0	+1.6	1.34
UK Smaller Co's Fund	56.0	59.2xd	+0.3	1.49
(Accum Units)	56.6	59.8xd	+0.4	1.49

Merlin Fund Mngmnt Ltd
30 St James St, London SW1A 1HB 01-925 1277

Merlin Sept 1	627.5	636.5	----	1.08

Metropolitan Unit Trust Mngrs Ltd
3 Darkes Lane, Potters Bar EN6 1AJ 0707 45184

UK Income Fund	62.4	66.3xd	+0.7	4.52
Accum Units	63.8	67.0xd	+0.7	4.48
UK Growth Fund Acc	62.5	66.9	+0.8	1.49
Global Income Fund	49.4	52.5	-0.1	3.81
Accum Units	40.4	42.5	-0.1	3.81
Global Growth Fund	50.4	53.6	----	0.47

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	120.6	128.3	+0.5	1.01
PM Income and Growth	106.5	113.3	+0.4	2.91
PM N American Growth	58.0	61.7	-0.4	0.34
PM European Growth	53.3	56.4	----	0.54
PM Japan Growth	75.0	79.7	-0.1	0.35
PM Overseas Growth	57.4	61.0	-0.3	0.43

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-69 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn UnitLine 0800-010345

Holborn Comm Tst	83.9	88.2xd	+0.2	0.35
Holborn Equity Income	73.5	77.7xd	-0.3	3.71
Holborn Equity Tst	599.2	644.0	+2.9	2.13
Holborn European Tst	124.3	133.6	+0.6	0.62
Holborn Gilt Tst	207.6	216.6	+0.7	2.20
Holborn High Inc Tst	90.3	95.5	+0.5	4.52
Holborn Intl Grth Tst	125.8	133.1xd	+0.2	0.66
Holborn Intl Sml Cos	----	0.50	----	----
Holborn Japanese Tst	139.9	148.0xd	-0.3	0.01
Holborn N Amer Tst	95.8	101.9	-0.7	0.48
Holborn Sm Cos Tst	81.2	85.9	+0.6	1.35
Holborn Spec Sits Tst	106.7	112.9	+1.1	1.29
Holborn UK Growth Tst	118.9	125.8xd	+0.7	1.47

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen Fd	654.9	691.1	----	1.41
Quadrant Income	321.6	340.4	----	3.91
Quadrant Intl Fund	465.3	492.4	----	1.01
Quadrant Spec Sits	450.0	476.2	----	1.38

Reliance Unit Mgrs. Ltd
Reliance House, Tunbridge Wells, Kent 0892 510033

British Life	246.5	262.0	+1.4	2.30
Reliance Unit Tst (Inc)	172.2	183.1	+1.1	1.44
Reliance Ut Tst (Acc)	231.7	246.4	+1.4	1.44

Ransburg Fund Managers
Stanhope Ct., Tithebarn St., Liverpool 051-227 2030

Internat. Growth Trust	51.2	53.9	-0.7	1.5

N.M. Rothschild Fund Mgmt
St Swithin's Lane, London EC4 01-634 2981/4

NC America (Inc)	326.0	346.8xd	-2.4	.71
NC American (Acc)	357.7	382.6	-2.6	0.71
NC Inc Fd	127.3	135.4	+0.6	2.97
NC Japan Fd	218.9	232.8	+1.2	0.00

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage 0438 356101

Managed	451.0	474.7		—
Property	282.7	297.6		—
Equity	575.3	605.6		—
Gilt Edged	350.6	369.0		—
Deposit	205.9	216.7		—
Investment	245.1	257.9		—
International	439.8	462.9		—
Pension Fund Prices				
Managed Init		328.5		—
Do. Accum.		405.3		—
Property Init.		246.2		—
Do. Accum.		302.7		—
Equity Init.		431.6		—
Do. Accum.		529.9		—
Gilt-Edged Init.		221.5		—
Do. Accum.		272.4		—
Guaranteed Init.		158.6		—
Do. Accum.		195.0		—
International Init.		539.4		—
Do. Accum		662.9		—
Index Lk. Gilt Init.		135.3		—
Do. Accum.		166.4		—

Merchant Investors Assurance
Leon House, 233 High St, Croydon 01-686 9171

Property	318.5	+0.2	—
Property Pens.	426.7	+0.3	—
Equity	197.2	+0.1	—
Equity Pens.	892.4	+2.2	—
Money Market	297.0	+2.0	—
Money Mkt. Pens.	574.2	+3.6	—
Deposit	238.7	+0.1	—
Deposit Pens.	301.4	+0.2	—
Managed	297.5	+0.8	—
Managed Pens.	574.1	+2.9	—
Intl Equity	357.3	-1.3	—
Do. Pens.	580.3	-2.3	—
Intl Managed	326.6	-0.5	—
Do. Pens.	497.0	-0.9	—
North American	135.4	-0.8	—
Do. Pens.	155.8	-1.0	—
Far East	300.1	-8.9	—
Do. Pens.	495.7	-13.0	—
Intnl. Currency	169.6	+0.1	—
Do. Pens.	218.9	+0.1	—
Index Linked	129.2	-0.2	—
S & C Managed Fd	142.1	+0.1	—
S & C Pens Mngd Fd	116.1	+0.5	—
Bell Chambers	129.5	-0.2	—
Lorne & Loran	117.3	+0.5	—
Trustlink Life Funds			
Per Worldwide Rec.	169.5	+0.0	—

National Provident Inst.—Contd.

Far East Initial	502.4	528.8	+1.0	—
Far East	599.6	631.2	+1.2	—
Prop. Initial	143.6	151.2	-0.1	—
Prop	172.3	181.4		—
Fixed Int. Initial	181.7	191.3	+0.8	—
Fixed Int.	218.3	229.8	+0.9	—
Indexed Gilt Initial	101.0	106.4		—
Indexed Gilt	120.2	126.6		—
Deposit Initial	135.3	142.5		—
Deposit	164.3	173.0		—
NPI Pensions Management Ltd				
Managed Fund	966.1	993.4	-21.8	—

Prices Sept. 1. Next dealing Oct. 1.

Norwich Union Asset Management Ltd
PO Box 124, Norwich NR1 1JS 0603 683986

NUAM Funds				
Managed Fund	57.7	60.8	+0.1	—
Stock Market Mngd Fund	59.7	62.9		—
Equity Fund	64.5	67.9	+0.2	—
International Fund	56.0	59.0	-0.1	—
European Fund	60.0	63.2	+0.1	—
North American Fund	51.2	53.9	-0.2	—
Pacific Fund	65.8	69.3		—
Property Fund	52.1	54.9		—
Fixed Interest Fund	48.2	50.8	+0.1	—
Index linked Sec Fund	45.6	48.0		—
Deposit Fund	51.2	53.9		—
NUAM Retirement Plans				
Mixed Fund	61.5	64.8		—
UK Ordinary Share	73.2	77.1	+0.4	—
International Fund	58.0	61.1	-0.7	—
Property Fund	52.1	54.9		—
Fixed Interest Fund	49.9	52.6	+0.2	—
Index Linked Sec Fund	46.0	48.5		—
Deposit Fund	53.2	56.1		—
NUAM (NF)				
Managed Fund	793.2	835.0	+1.8	—
Equity Fund	1720.4	1811.0	+5.5	—
Property Fund	324.3	341.4		—
Fixed Interest Fund	355.4	374.2	+0.6	—
Deposit Fund	209.0	220.0		—
International Fund	145.4	153.1	-0.3	—
Index Linked Sec Fund	45.6	48.0		—

Norwich Union Life Insurance Soc.
PO Box 4, Norwich NR1 3NG 0603 622200

Pensioninvestor & Unit-Linked Plan				
Fixed Interest Fund	248.9	262.0	+2.4	—
Index-Linked Sec Fund	130.3	137.1	+0.2	—
Ordinary Share Fund	528.8	556.6	-0.6	—
International Fund	150.5	158.4	-2.6	—

Provident Mutual Life Assc.—Cont.

Pension Funds				
Managed Ord	315.5	332.2	+0.7	—
Managed Init.	285.8	300.8	+0.5	—
Equity Ord.	523.1	550.6	+1.5	—
Equity Init.	445.7	469.2	+1.4	—
Pen Ind Lkd Gilt Ord	118.5	124.7	+0.1	—
Pen Ind Lkd Gilt Init.	105.4	110.9		—
Overseas Equity Ord.	339.7	357.6	-0.7	—
Overseas Equity Init.	289.4	304.6	-0.7	—
Property Ord.	159.2	167.6	+0.1	—
Property Init.	135.6	142.7		—
Fixed Interest Ord.	166.8	175.6	+0.8	—
Fixed Interest Init.	142.1	149.6	+0.7	—
Deposit Ord.	155.5	163.7		—
Deposit Init.	132.5	139.5		—

Provincial Life Assurance Co Ltd(z)
Stramongate, Kendall, Cumbria LA9 4BE 0539 33733

Managed Fd	592.1	624.6	+0.6	—
Cash Fd	209.1	220.4	+0.0	—
Property Fund	225.1	237.2	+0.6	—
Equity Fund	706.9	744.9	+0.8	—
Fxd. Int. Fund	270.2	284.8		—
International	336.1	354.2		—
High Income	491.0	517.4	+1.8	—
Far East	456.9	481.5		—
North American	277.3	293.5		—
Special Sits.	671.6	707.7		—
Technology	303.4	319.8		—
Extra Inc Fd.	280.1	295.2		—
Convertible & Gilt Fd	161.8	170.5		—
American Income	117.7	125.3		—
Gilt Fund 20	270.4	287.7		—
European Fund	103.4	110.1		—
Managed Pens. Acc.	547.3	576.1	+0.7	—
Deposit Pens. Acc.	205.4	216.2	+0.0	—
Property Pens. Acc.	214.4	225.7	+0.0	—
Fix. Int. Pens. Acc.	323.3	340.3		—
Equity Pens. Acc.	760.2	800.2	+0.8	—
International Pens Acc.	303.4	319.4		—
High Inc Pens Acc.	492.4	518.3	+5.1	—
Tech Pens Acc.	192.0	202.1		—
N American Pens Acc.	185.3	195.0		—
Far Eastern Pens Acc.	437.4	460.4		—
Special Sits Pens Acc.	530.9	558.8		—
Extra Income Pens Fd.	312.3	328.7		—
Convertible & Gilt Pen	170.6	179.6		—
American Inc Pens	129.6	136.2		—
European Pens	112.7	118.6		—
Broker Funds				
KSA Managed Fund	163.2	171.8		—
Mckenna Mngd Fund	173.4	182.6		—
Acorn Managed Fund	179.7	189.2		—
Portfolio 2000	172.3	181.4		—

Royal Heritage Life Assur.—Contd.

Chelsea Inv Port.	68.4	72.1		—
Derek Gardner Mng.	125.6	132.2		—
GLJ Managed Fnd	126.4	133.1		—
PEP Inv Port.	124.1	130.7		—
Western Counties Mng.	134.8	142.6		—
Saunders French Gth	139.3	146.7	+1.5	—
Bibby & Co Mng Fd	127.6	134.4		—
YRA Portfolio	114.1	120.2		—
Private Portfolio Fd.	117.8	124.0		—
Eastern International	167.7	176.6	-0.7	—
Jardine Mng Gth Fd	119.2	125.5		—
The Tutors Intnl Fd	118.1	124.4		—
Griffin Fin Serv.	177.8	187.2		—
Minster Fund	219.7	225.0		—
MI Fin. Servs.	112.6	118.6		—
Richards, Longstaff	113.6	119.6		—
Optimum PIP	137.0	144.3		—
P.W. Whelde Ohe	132.9	137.8		—
B.P.S. Bond	175.4	184.7		—
Knightsbridge Cap. Fd	112.1	118.1		—
Campbell Cons Fd	113.6	119.6		—
Stacey Chiltern Fd	134.7	141.8		—
Ethical Invest Fd	148.4	156.3	+0.5	—
Spencer Hse MGD Fd.	198.0	208.5		—
H&B Complete	110.3	116.2	-1.0	—
Southern Counties Mgd	116.5	122.7		—
South Coast Enterprise	141.3	148.8		—
CFM Managed Gwth Fd.	117.8	124.1		—
Heritage Mngd Bond	186.2	196.1		—
Pygmalion Mngd Fd.	211.2	222.4		—
Lowell Associates	107.9	113.5		—
Greenan Inv-Mngd. Fd.	156.0	164.1	+0.3	—
Falcon Mngd Fd.	195.3	205.6		—
Harley Temple CIP	122.4	128.9	+0.5	—
Beneficial Mngd Fd	142.6	150.2		—
DOA Northcote MgdEnt	121.0	127.4		—
Guy Brattler Fd	114.2	120.3		—
Regency Fund	120.7	127.1		—
J.J Barrington Inc.Fd.	117.3	123.6		—
CIM Growth Portfolio	101.2	106.6		—
G & T Smaller Cos Fd.	148.2	156.0	+1.6	—
The Goldcrest Fund	151.3	159.1		—
Castle Inv Inc & Gwth.	184.4	194.2	-0.5	—
Bainbridge Growth Fund	120.3	126.7		—
John Dandy Fund	126.1	132.8	-0.5	—
Prosperity Fund	141.0	148.5		—
GPIS Alpha Fund	118.9	125.2		—
Manymerse Inv. Folio	118.5	124.8		—
Elite Pens Portfolio				—

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS 051-227 4422

Royal Shield Fd.	663.1	700.4	+2.5	—

Royal Life (Unit Linked Assurance) Ltd

[illegible]

Target Life Assurance—Contd.

[illegible]

Teachers' Assurance Company Ltd

[illegible]

Trident Life Assurance Co Ltd

[illegible]

UK Provident

[illegible]

Vanbrugh Life Assurance Ltd

[illegible]

Windsor Life Assur Co Ltd

[illegible]

Ward Consultancy
44 Station Rd Twyford, RG10 9NT 0734 343999

WC Grth Inc Fund				—
WC Scot Eq Perf Bond	112.6	118.5		—
WC Scot Eq Mang Pens	114.0	120.0		—

Yorkshire & Lancashire Investment Mgt.
2 Parson Lane, Clitheroe, BB7 2JN 0200 28066

Growth & Income (B&D)	198.6	209.1		—
Ultra Bond (Roy.H)	163.6	172.3		—
Flexible Managed (Heri)	161.1	170.1		—
Global Managed (Schr.)	180.6	190.1		—
Security (Scot Mutual)	129.1	135.9		—
Pension Fund (Roy.H)	139.0	146.4		—

OFFSHORE AND OVERSEAS

Actibonds Investment Fund SA
37 rue Notre Dame, Luxembourg Tel: 47971

Actibonds Inv		$25.81		—

Adig Investment
Postfach 708, 8000 Munich 1 Telex 524269

Adirenta	DM22.75	23.46	-0.01	—
Adiverba	DM155.06	162.81	-1.33	—
Fondak	DM67.29	70.65	-1.06	—
Fondis	DM68.62	72.05	-0.71	—

Aetna International Assurance (Bermuda) Ltd
Albert Hse., St Peter Port, Guernsey 0481 27066

Exchange rate at Valuation Day US$1.620

Commodity ($)	$7.770	8.180		—
Dollar Deposit ($)	$2.030	2.140		—
Eurogrowth ($)	$1.025	1.080	+0.005	—
European Equity (£)	281.1	295.9		—
Global Managed ($)	$1.730	1.830		—
Gold ($)	$1.330	1.400		—
Goldmine ($)	$0.970	1.030	+0.005	—
Internat'l Equity ($)	$13.805	14.535		—
Intnr Fixed Int'st ($)	$8.505	8.955		—
International Mngd ($)	$9.895	10.420		—
Mngd Curr. & Gold ($)	116.5	122.5		—
Mngd Curr. & Gold (£)	$1.140	1.205		—
N. American Equity ($)	$2.050	2.160		—
Pacific Enterprise ($)	$1.335	1.410		—
Pacific Equity ($)	$4.395	4.630		—
Star 2 (£)	160.3	168.8		—
Star 3 (£)	160.7	169.2		—
Star 4 (£)	196.5	206.8		—
Sterling Deposit (£)	201.2	211.8		—
Sterling Fixed Int (£)	355.0	373.7		—
UK Equity (£)	528.9	556.8		—
UK Managed (£)	389.5	410.0		—
UK Property (£)	244.1	257.0		—
World Growth ($)	$1.625	1.710		—

For Albany Fund Management see Fleming Group

Albany International Assurance Ltd

[illegible]

MANAGEMENT SERVICES

[illegible]

Barrington Mgmt (CI)—Barrington Fd

[illegible]

Bermuda Intl Invest Mgmt Ltd

[illegible]

Bishopsgate Commodity Ser. Ltd

[illegible]

Brazil Capital Services Ltd

[illegible]

Bridge Management Guernsey Ltd

[illegible]

Bridge Management Ltd

[illegible]

Bridge Singapore Asset Mngmt Ltd

[illegible]

Brown Shipley Fund Mngmt (CI) Ltd

[illegible]

Butterfield Management Co Ltd

[illegible]

CAL Investments (IoM) Ltd

[illegible]

CMI Financial Mngmt Services Ltd
Clerical Medical Hse, Douglas, Isle of Man. 0624 25599

Safeguard Portfolio	91.9	96.7	+0.1	—
Growth Portfolio	95.4	102.4	-0.3	—
Enterprise Portfolio	96.0	101.0	-0.5	—

CRC Asset Management Limited
PO Box 208, St Peter Port, Guernsey 0481 26268

CRC Balanced Growth Fund				
Far East Class	$20.28	21.30		—
International Class	$13.64	14.29		—

Capital International
43 Boulevard Royal, Luxembourg

Capital Int. Fund		$89.01		—

Cater Allen Investment Management (CI)
Cater Allen House, St Helier, Jersey, CI 0534 78898

CA Dollar Inc Fd	10.11	10.12		6.72
CA Gilt Edg Fd	12.66	12.72		11.01

Charterhouse Bank
1 Paternoster Row, London EC4 01-248 4000

Emperor Fund	$18.53	19.47		0.69
Euro Global Inv Fd	$107.63	113.07	+0.44	0.44

Charterhouse Fund Mngt. (C.I.) Ltd
Charterhouse Bldg, Bath St, Jersey 0534 79437

Charterhouse International Capital Fund Limited				
£ Sterling		£17.39	+0.01	8.79
US$		$15.28		5.96
D Marks		DM50.21	+0.01	2.75
Swiss Francs		SFr44.58	+0.03	2.01
Fr Francs		FFr177.02	+0.09	6.79
Dutch Guilders		Df142.62	+0.02	3.44
Ecu's		Ecu21.99	+0.01	5.77
Japanese Yen		Y3176	+1	2.46
Sterling Bond	£1.03	1.09		8.98
International Bond	$1.41	1.49		7.46
Managed Currency	$1.53	1.57		6.39
Charterhouse International Income Funds Ltd				
£ Sterling		£10.17	+0.01	8.64
US$		$15.17	+0.02	3.19
D. Marks		DM40.20	+0.01	2.57
Swiss Francs		SFr30.26		0.05
Fr Francs		FFr101.75	+0.06	5.74
Ecu's		Ecu20.23		4.97
Japanese Yen		Y3015		2.82
Sterling Bond	£0.95	0.99		8.31

Citibank (CI) Ltd "Citifunds"
Green Street, St Helier, Jersey, CI 0534 70334

Liquidity Funds			
Deutschmark	23.308	+0.008	—
Yen	3413.345	+0.175	—
Sterling	7.469	+0.002	—
Swiss franc	21.620	+0.003	—
US dollar	13.521	+0.002	—
Managed	11.015	+0.175	—
Short term Investment Funds			
DMF Sept 3	140.172	+0.008	—
Irish £ Sept 3	77.107	+0.028	—
US $ Sept 3	11.132	+0.004	—

[illegible]

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

1987 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101⅞	100⅛	Treas. 12pc 1987	100⅛	−⅛	11.98	10.05
99½	97½	Treas 7¾pc 1985-88‡‡	99½	+⅛	7.80	9.18
102⅛	99½	Exch 10½pc '88	100⅛	+⅛	10.49	10.21
101⅛	98½	Treas 9¾pc Cv '88	99½	−⅛	9.79	10.28
97⅛	93⅛	Transport 3pc '78-88	96⅛	.....	3.11	7.31
101⅝	98⅛	Treas. 9½pc '88	99⅛	+⅛	9.59	10.31
105½	101⅛	Treas 11½pc 1989	101⅛	.....	11.33	10.31
102⅛	97½	Treas 9½pc Cnv 1989	98¾	−⅛	9.62	10.31
94½	89¾	Treas 3pc 1989	93⅛	+⅛	3.22	7.36
104⅝	99½	Treas 10½pc 1989	100⅛	−⅛	10.48	10.32
103⅛	98⅛	Exch 10pc 1989	99½	−⅛	10.06	10.32
105¾	100⅛	Exch 11pc 1989	101⅛xd	−⅛	10.87	10.34
95½	89⅛	Treas 5pc 1986-89	92½	+⅛	5.38	8.72
108⅛	99½	Exch 10¼pcCv '89	100⅛	−⅛	10.22	10.05
111⅛	105	Treas 13pc 1990‡‡	105½	−⅛	12.31	10.20
106⅝	100⅛	Exch 11pc 1990‡‡	101⅛	−⅛	10.84	10.26
110⅛	104¼	Exch. 12½pc 1990	104⅞	−⅛	11.92	10.27
91½	84½	Treas. 3pc 1990	88½	+⅛	3.39	7.85
100⅛	93½	Treas 8¼pc 1987-90‡‡	95½	+⅛	8.62	10.02
105	97½	Treas. 10pcCv 1990	99	−⅛	10.10	10.33
89½	81⅛	Exch 2½pc 1990	85½	+⅛	2.91	7.55
110⅝	102½	Treas 11¾pc 1991	103¾	−⅛	11.32	10.33
95⅛	87¼	Funding 5¾pc '87-91‡‡	89¾xd	+⅛	6.44	9.33
89⅛	80¼	Treas. 3pc 1991	84½	−⅛	3.55	7.89
110⅝	99	Treas 10pc Cv '91 ‡‡	100⅛	−⅛	10.01	10.02
109⅝	101⅝	Exch. 11pc 1991	102⅛	−⅛	10.77	10.33
96⅛	91½	Treas. 8pc 1991●	92⅛	−½		
116⅛	107⅝	Treas 12¾pc 1992‡‡	108½	−½	11.76	10.28
106⅛	97½	Treas. 10pc 1992	99⅛	−⅛	10.09	10.24
99⅛	90½	Treas. 8pc 1992 ‡‡	92⅛	−⅛	8.78	10.45
108½	99¾	Treas 10½pc Cv 1992‡‡	100½	−⅛	10.43	10.28
85⅝	79½	Treas. 3pc 1992	79½	+⅛	3.74	8.03
115⅞	106⅛	Exch. 12¾pc '92	107½xd	−⅛	11.42	10.31
		Five to Fifteen Years				
121⅛	110½	Exch 13½pc 1992	112⅛	−⅛	12.04	10.34
107⅛	97½	Treas 10pc 1993‡‡	98½	−⅛	10.12	10.26
118⅛	108⅛	Treas 12½pc 1993‡‡	109⅛	−⅛	11.44	10.33
95⅝	82¼	Funding 6pc 1993‡‡	85½xd	+⅛	7.01	9.14
125⅛	113½	Treas 13¾pc 1993‡‡	114½	−½	11.96	10.38
129½	118⅛	Treas 14½pc 1994‡‡	119⅛xd	−⅛	12.15	10.33
124½	113⅛	Exch 13½pc 1994	114¼	−⅛	11.82	10.46
107⅝	97½	Treas. 10pc Ln. 1994‡‡	98½	−⅛	10.11	10.21
120⅛	106½	Exch. 12½pc 1994	109½xd	−⅛	11.38	10.45
103⅝	92½	Treas 9pc 1994‡‡	94½	−⅛	9.52	10.07
118⅝	106⅛	Treas 12pc 1995	107½	−⅛	11.14	10.45
84¼	76	Exch 3pc Gas 90-95	81½	−½	3.44	7.88
109⅛	98	Exch. 10¼pc 1995	99½	−⅛	10.31	10.34
123½	111	Treas 12¾pc 1995‡‡	112½	−⅛	11.34	10.43
130½	117⅛	Treas. 14pc '96	118½	−⅛	11.78	10.53
102½	92½	Treas. 9pc 1992-96‡‡	94½xd	−⅛	9.57	10.06
139⅛	125	Treas 15¼pc 1996‡‡	126½	−⅛	12.05	10.49
127½	114⅛	Exch 13¼pc 1996‡‡	115½	−⅛	11.43	10.40
89⅛	81¼	Redemption 3pc 1986-96	84⅛xd	−⅛	3.59	5.30
108⅛	96⅝	Conversion 10pc 1996	97⅞	−⅛	10.21	10.33
128½	115	Treas 13¼pc 1997‡‡	116⅝	−⅛	11.39	10.45
111½	99½	Exch 10½pc 1997	100½	−⅛	10.41	10.33
101⅛	90	Treas 8¾pc 1997‡‡	91½	−½	9.56	10.12
140⅛	125	Exch 15pc 1997	126⅝	−⅛	11.84	10.62
106½	95	Exch. 9¾pc 1998	96½	−½	10.10	10.29
88½	78½	Treas 6¾pc 1995-98‡‡	80⅝		8.43	9.80
145½	130⅛	Treas. 15½pc '98‡‡	131½xd	−½	11.79	10.55
122½	109	Exch. 12pc 1998	110½	−½	10.88	10.40
106½	94½	Treas 9½pc 1999‡‡	96⅛	−½	9.88	10.07
124½	110½	Exch. 12¼pc 1999	112½xd	−½	10.90	10.38
113	100⅛	Treas. 10½pc 1999	101½	−½	10.33	10.24
111⅛	98⅛	Conversion 10¼pc 1999	100	−½	10.25	10.23
100¼	88¾	Tr 8½pc Ln.2000‡‡	90⅛	−½	8.84	9.81
103⅛	91¼	Conversion 9pc 2000‡‡	92½xd	−½	9.71	10.04
131⅝	116½	Treas. 13pc 2000	118⅛	−½	11.00	10.39
110⅛	97½	Treas 10pc 2001	99⅛xd	−½	10.10	10.12
134½	120⅛	Treas. 14pc '98-01	121½	−½	11.50	10.54
108½	96	Conversion 9¾pc 2001	97½	−½	10.01	10.09
122⅝	108⅝	Exch. 12pc '99-02	110⅛	−½	10.88	10.36
110½	97⅛	Conversion 10pc 2002	99⅛xd	−½	10.03	10.02
109	96⅛	Treas 9¾pc 2002	97½xd	−½	9.93	9.98

BRITISH FUNDS—Contd

1987 High	Low	Stock		Price £	+ or −	Yield (1)	(2)
		Index-Linked	(b)				
131½	125⅛	Treas. 2pc '88	(297.1)	131⅛xd	−⅛	—	2.03
117¼	108½	Do. 2pc '90	(333.9)	114⅛	−⅛	0.98	3.13
99⅞	93⅛	Do. 2pc '92‡‡	(385.8)	96⅛	−¼	3.52	3.29
128⅛	119⅛	Do. 2pc '96	(267.9)	125½xd	−⅛	3.41	3.87
111¼	101⅛	Do 2½pc '01	(308.8)	103⅛xd	−⅛	3.58	4.25
110	99⅞	Do. 2½pc '03	(310.7)	101⅛	−¼	3.57	4.22
113⅛	101½	Do. 2pc '06	(274.1)	102⅞	−⅛	3.61	4.13
108	95½	Do. 2½pc '09	(310.7)	97⅛	−⅛	3.59	4.05
113½	100½	Do. 2½pc '11	(294.1)	102⅛	−⅛	3.70	3.99
95⅛	83½	Do. 2½pc '13	(351.9)	85¼	−⅛	3.63	3.93
103⅛	91⅛	Do. 2½pc '16	(322.0)	92⅛	−⅛	3.42	3.86
101⅛	89½	Do. 2½pc '20	(327.3)	90½	−⅛	3.51	3.78
86⅛	75½	Do. 2½pc '24‡‡	(385.3)	77	−⅛	3.40	3.69

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for December 1986: 393.0 and for July 1987: 101.8 (rebased at 100 January 1987 conversion factor 3.945).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1987 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
113⅞	98⅞	African Dv Bk 11⅛Ln 2010	100⅞xd	−¼	11.08	11.06
109⅝	94⅞	Asian Dev Bk 10¼pcLn2009	96¼	−½	10.65	10.69
136	118⅞	Australia 13½pc 2010	121	−⅛	11.16	10.97
118¼	102⅞	Do. 11¼pcLn2015	103⅞	−⅛	10.95	10.92
115¾	101⅛	Euro Inv Bk 11pc Ln 2002	102⅞	−⅛	10.69	10.61
110¼	96⅞	Do. 10¼pc2004	98⅞	−¼	10.57	10.60
126⅛	111⅝	Int-Am Dev Bk 12½pc 2003	113¼xd	−⅛	11.04	10.70
104⅝	90⅛	Do. 9¾pcLn 2015	91⅝	−½	10.64	10.68
97¼	83	Mlysia 10¼pcLn 2009	89xd	−⅛	12.08	12.18
102⅞	99⅞	Malaysia 12¼pc '88	99⅞xd	.....	—	—
115	100⅞	NZ 11¼pc 2008	102	−⅛	11.03	10.99
123¾	102⅞	Do 11½pc 2014	104¼	−⅛	11.03	11.00
126⅝	100⅛	Sweden 13½pc Ln 2010	121⅛	−½	11.15	10.94
101	96½	Utd. Mexican States 16½pc	101xd	+⅛	16.34	15.29

CORPORATION LOANS

1987 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
109⅝	103⅞	Birmingham 13½pc 1989	104⅞	.....	13.00	11.40
119	103⅞	Do. 11½pc 2012	104⅞	.....	11.02	10.97
95¾	82⅞	GLC 6¾pc 1990-92	85xd	.....	7.89	10.40
132½	119	Leeds 13½pc 2006	119	.....	11.34	13.77
32	26	Liverpool 3½pc Irred.	28½xd	.....	12.28	—
96	85	LCC 6¾pc '88-90	87	.....	7.67	11.40
31½	22	Do. 3pc '20 Aft.	24xd	.....	10.34	—
115	103½	Manchester 11½pc 2007	103½	.....	11.11	11.10

COMMONWEALTH & AFRICAN LOANS

1987 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
92¾	81¼	NZ 7¼pc 1988-92	86½	.....	8.41	10.80
205	165	S Rhod 2½pc Non-Assd	195	.....	—	—
78	65	Do. 4½pc 87-92 Assd	73	.....	—	—
175	120	Zimbabwe Ann (£100pa)	138	.....	—	7.71

LOANS

FOREIGN BONDS & RAILS

1987 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
53	42	Greek 7pc Ass.	53	.....	3.50	6.60
50	40	Do. 6pc 28 Stb. Ass.	50xd	.....	3	6.00
50	45	Do 4pc Mixed Ass.	50	.....	2	4.23
66	58	Hung. '24 Ass	64	.....	2.75	4.30
146½	122⅞	Hydro Quebec 15pc 2011	130⅞	−¼	15.00	11.27
136¼	115½	Iceland 14½pc Ln 2016	122⅞xd	−⅛	14.50	11.70
103½	94	Ireland 9¾pc '91-96	97⅞xd	.....	9.75	10.25

AMERICANS

1987 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
42	32⅞	Abbott Laboratories§	37	−⅛	$1.00	—	1.7
40⅛	24⅛	Alcoa $1	33¾	−½	$1.20	—	2.2
18⅞	14	¶Allegheny & W $0.01	14⅞	−⅛	30c	—	1.3
19⅛	8⅛	Amax $1	15¼	+⅛	—	—	—
27½	17⅛	Amdahl 5c	25⅛	−⅛	20c	—	0.5
35⅞	25¼	Amer. Cyanamid $5	30⅛xd	−⅛	$1.90	—	3.8
25⅛	18	Amer. Express $0.60	21⅛xd	−⅛	$1.44	—	4.1
12⅞	10	Amer. Medical Int. $1	10⅛	−⅛	♦72c	—	4.3
22½	14¼	American T. & T. $1	20⅛	.....	$1.20	—	3.7
63	46⅛	Ameritech $1	55⅝	+⅛	h$4.72	—	5.2
22	15⅛	Amfac§	20⅛	−⅛	—	—	—
25	17⅛	Anheuser-Busch $1	23xd	.....	$2.00	—	5.3
98p	45p	¶AridTech§	98p	.....	—	—	—
10⅛	6⅛	BankAmerica $1.5	7⅛	−⅛	—	—	—
34⅛	25⅛	Bankers N.Y. $10	28⅛	−⅛	$1.66	—	3.6
652p	285p	BASIX Corp.	287p	−1	12c	—	2.6
49½	36⅝	Bell Atlantic $1	43⅞	−⅛	$3.84	—	5.4
27	21	BellSouth Corp.	24	−⅛	$2.04	—	5.2
11½	4¼	¶Bethlehem Steel $8	10⅝	−⅛	—	—	—
20½	10⅛	Bio-Rad Labs. Inc. 'A'	15⅛	.....	—	—	—
54⅛	18⅞	Bowater Inc.	23	−⅛	80c	—	2.1
21⅞	15⅛	Browning-Ferris 16⅔c	20⅛	−⅛	♦40c	—	1.2
18⅝	12¼	Brunswick	16⅛	−½	30c	—	1.1
36⅝	25⅞	CPC Intnl. 25c	32¼	−½	h$1.24	—	2.4
25¾	18	CSX Corp U.S.$1.00	23⅛	+⅛	$1.16	—	3.0

Continued on next page

Money Market Bank Accounts

Money Market Trust Funds

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
30⅞	22⅞	Sara Lee $1	26¼xd	–⅛	$1.00	—	2.3
11⅛	8⅞	Saul (B. F.) $1	11¼xd	....	20c	—	1.1
26¼	19⅞	Southwestern Bell $1	23	–⅛	h$2.32	—	6.2
19	14¼	Staley Continental	17⅞		80c	—	2.7
44⅞	36⅛	Sun Co. Inc. $1	36⅞	–½	$3.00	—	5.1
42¼	28½	TRW Inc. $0.625	37⅛	–1	h$1.60	—	—
34⅞	25⅞	Tenneco $5	32⅛	+⅛	$3.04	—	5.8
202½	149½	Do. 10pcLn.Stk. 91-5	202½xd		10%	—	5.0
29⅝	17⅞	Texaco $6.25	24⅛xd	–⅞	$3.00	—	7.6
74⅞	47¼	Time Inc. $1	64⅛xd	–⅛	$1.00	—	1.0
15¼	11	Tracor $0.33	14¼	....	40c	—	1.7
30¼	18⅞	Transamerica $1	26⅛	–¼	$1.76	—	4.1
14⅛	922p	Transworld Corp $5	12⅞	....	20c	—	1.0
49⅞	29½	TRINOVA Corp	44⅛	–1¼	h$1.00		1.4
24⅞	15⅛	♥USX $1	21⅝	–¼	$1.20	—	3.4
19⅝	15⅛	Union Carbide $1	17⅛	–¼	$1.50	—	5.4
37⅞	26⅞	Utd. Technologies	33½xd	–⅛	$1.40	—	2.6
38⅝	27	US West‖	33½	....	$3.28	—	6.0
30½	17⅛	Waste Management $1	27½	–½	—	—	—
£31⅝	£20½	Whirlpool $1.0	£22⅝	–⅛	—	—	—
37⅛	26	♥Woolworth $3½	32⅞	–⅞	$1.32	—	2.5

CANADIANS

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
691p	373p	ABM Gold Corp‖	396p	–7	—	—	—
21⅛p	10p	♥Abbot Energy Corp	20⅝p	...	—	—	—
15⅛	50bp	♥Amer. Barrick Res.	14⅞xd	+⅛	—	—	—
122p	52p	♥Armeno	76p	+2½	—	—	—
19⅛	14⅝	Bk. Montreal‖	14⅞	–⅛	$2.00	—	6.2
10½	745p	Bk. Nova Scot.‖	792p	–14	72c	—	4.2
20⅝	18	BCE‖	18¼	...	$2.40	—	5.9
10⅛	712p	♥Bow Valley‖	843p	–26	40c	—	—
20	12⅝	♥Brascan‖	18¼	..	88c	—	2.2
605p	277p	♥Breakwater Res.	402p	–7	—	—	—
11⅝	894p	Can. Imp Bk. $2	10¼xd	....	$1.08	—	4.8
14	865p	Can. Pacific‖	12⅞		48c	—	1.8
42½	37½	Do. 4pc Deb £100	41½	...	4%	—	9.6
827p	472p	Central Capital 'A'‖	689p	–2	—	—	—
780p	551p	Derlan Inds.	568p	–2	11.75c	—	1.0
17½	75op	♥Echo Bay Mines	17	–½	30c	—	0.5
230p	660	Euro-Asia Capital Ltd.	211p	–15	—	—	—
752p	253p	♥Galactic Resources	732p	–3	—	—	—
69p	32p	Global Data Systems	43⅝p	..	—	—	—
873p	399p	Granges Expln‖	660p	–8	—	—	—
19p	10p	♥Gt Pacific Res.	13¼p	–⅛	—	—	—
14½	781p	♥Gulf Canada‖	13⅝	...	32c	—	1.8
14⅝	10	♥Hawker Sid Can‖	13½	...	96c	—	3.3
740p	460p	Henlys Group	563p	–7	—	—	—
14⅛	10⅞	Hudson's Bay‖	11¼	....	60c	—	2.5
38⅞	24⅛	♥Imperial Oil‖	34¼	–¼	$1.60	—	2.1
13⅞	782p	Inco‖	12¼	–⅛	US$0.20	—	1.0
25⅞	14¼	♥Intl. Corona Res.	18⅞	–⅛	—	—	—
785p	575p	♥Inland Nat. Gas $1	637p	–2	60c	—	4.3
10⅛	385p	♥Lacana Mining Corp‖	10¼	....	015c	—	0.6
363p	158p	♥Muscocho Expln.	276p	+5	—	—	—
10⅛	748p	♥Ntnl Business Syst.‖	981p	–9	—	—	—
623p	338p	♥Nevada Goldfields	373p	–7	—	—	—
12	927p	♥Rio Algom	10¼	–⅛	$1.30	—	5.8
19⅛	14⅛	Royal Bk. Can.‖	15½	...	$2.00	—	5.9
385p	135p	♥Royex Gold Mining‖	247p	–1	—	—	—
52¼	40⅛	Seagram‖	45	–½	US$1.00	—	1.4
731p	215p	♥Sonora Gold Corp‖	574p	+4	—	—	—
15⅛	11½	Toronto-Dom. Bk.‖	15⅛	+⅛	84c	—	2.6
238p	19p	♥Trans Atlantic Res‖	64¼p	+2	—	—	—
10⅛	789p	♥Trans Can Pipe	832p	+3	$1.12	—	6.2
183p	124p	Varity Corp‖	154p	–7	—	—	—

BANKS, HP & LEASING

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
296	146	ANZ $A1	236	+3	b020.7c	2.4	3.9	10.6
*275	230	Allied Irish	248	....	Q11.6%	2.8	5.7	8.6
		Algemene Fl.10		...				
*83	53	Anglo Irish	81	....	s019.69%	1.4	5.4	20.6
108	84	Ansbacher (H.) 1p	98	...	2.0	—	2.8	—
£30½	£24¼	Banco de Bilbao S.A.	£40	...	038%	3.0	2.3	22.5
£34⅞	£23⅛	Banco de Santander	£31¼	–⅛	023.2%	♦	1.4	♦
*245	176	Bank Ireland Ir£1	230	....	s015.99%	2.9	6.4	8.0
£15	£11½	Bank Leumi	£15	....	—	—	—	—
350	240	Bk. Leumi (UK) £1	350	....	12.4	—	4.9	—

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCES

LONDON SHARE SERVICE

INSURANCES—Continued

[illegible]

LEISURE

[illegible]

MOTORS

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PAPER, PRINTING—Continued

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Cont.

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

FINANCE, LAND—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Continued

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
90	21	♥Colby Res Corp.	46	.....	—	—	—	
*300	127	Cons. Murch. 10c	260	−5	Q60c	4.4	7.2	
*70½	37½	‡Emec Int. Ir10p	64	.....	—	—	—	
402	151	Greenwich Res	401	.....	—	—	—	
£13¾	963	Hemlo Gold Mines	£12	.....	—	—	—	
355	139	♥Highwood Res	269	−2	—	—	—	
£28¾	£16⅜	Homestake Mining $1	£27¼	−⅝	Q20c	—	0.4	
455	150	♥McFinley Red Lake	367	−7	—	—	—	
166	78½	♥Musto Explorations	85½	.....	—	—	—	
160	37½	♥New Sabina Res C$1	138	.....	—	—	—	
598	200	Northgate C$1	482	−2	—	—	—	
237	104	Nor-Quest Resources	135	.....	—	—	—	
£240½	698	RTZ	£231½	−¼	23.9	2.7	2.5	
£359½	£113¼	Do. 9⅛pcLn '95-2000	£263	.....	Q9⅛%	37.5	13.7	
39¾	11	♥Thorco Res. Inc.$	36¼	+1	—	—	—	

THIRD MARKET

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
485	180	Abelacot Group 10p	425	.....	3.5	2.7	1.1	45.7
56	28	Aberdeen Am Pet 10p	55	.....	—	—	—	—
150	110	Allied Ins. Brokers	150	+8	L3.5	2.5	3.3	17.4
83	61	Amercoeur Energy 10p	66	.....	—	—	—	—
111	86	Andaman Res. 10p	95	−1	—	—	—	—
46	9	Ardmore Pet. 'A'	21	+1	—	—	—	—
285	102	Broadcast Comms.	213	.....	—	—	—	—
103	45	Catalyst Comms. 5p	98	+4	—	—	—	40.7
200	153	Chelsea Artisans 5p	153	.....	—	—	—	20.5
180	145	Comat Group 5p	150	.....	—	—	—	—
151	47	Corton Beach 10p	130	+2	0.4	♦	0.4	♦
200	150	Crown Eyeglass 5p	172	−1	—	—	—	—
*62	18	Eglinton Oil Ir.5p	26	−1	—	—	—	—
41	17	Do. Warrants	18	+1	—	—	—	—
186	101	Far East Res. 10p	133	+3	—	—	—	—
83	55	Gardner (J.) 5p	83	.....	R1.25	2.3	2.1	28.7
34	29	Honorbak 5p	32	.....	—	—	—	26.9
87	68	Lynx Tech. 5p	70	.....	—	—	—	8.0
82	17	Publishing Hldgs. 5p	67	−2	—	—	—	38.8
87	45½	Theme Holdings	75	−1	1.0	1.9	1.8	40.2
155	140	UPL Group 10p	140	.....	L2.41	2.8	2.4	—
140	111	Unit Group	140xd	.....	R4.6	2.5	4.5	10.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♯ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♠ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ∥ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	95	.....	Fin. 13% 97/02	£109¼xd	.....
Craig & Rose £1	638	.....	Arnotts	380	.....
Finlay Pkg. 5p	112	.....	CPI Hldgs	90	.....
Holt (Jos) 25p	1005	.....	Carroll Inds.	175	.....
Ioff Stm. £1	173	.....	Dublin Gas	25	+2
			Hall (R. & H.)	130	–
IRISH			Heiton Hldgs.	66xd	+10
Fund 11¾% 1989	£100¾	.....	Irish Ropes	210	+25
Nat. 9¾% 84/89	£97½	+⅛	Unidare	390xd	.....

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	40	NEI	13
Amstrad	19	Nat West Bk	65
BAT	62	P & O Dfd	65
BOC Grp	50	Plessey	20
BSR	17	Polly Peck	34
BTR	36	Racal Elect	32
Babcock	32	RHM	35
Barclays	52	Rank Org Ord	70
Beecham	52	Reed Intnl	50
Blue Circle	50	STC	30
Boots	30	Sears	16
Bowaters	50	TI	37
Brit Aerospace	50	TSB	12
Brit. Telecom	28	Tesco	18
Burton Ord	32	Thorn EMI	65
Cadburys	25	Trust Houses	25
Charter Cons.	45	Turner Newall	26
Comm Union	34	Unilever	62
Courtaulds	45	Vickers	20
FNFC	32	Wellcome	42
Gen Accident	75	**Property**	
GEC	22	Brit Land	30
Glaxo	200	Land Securities	50
Grand Met	50	MEPC	48
GUS 'A'	125	Peachey	40
Guardian	95	**Oils**	
GKN	36	Brit Petroleum	32
Hanson Tst.	17	Britoil	30
Hawker Sidd	58	Burmah Oil	52
ICI	125	Charterhall	10
Jaguar	52	Premier	11
Ladbroke	45	Shell	125
Legal & Gen	32	Tricentrol	11
Lex Service	45	Ultramar	26
Lloyds Bank	35	**Mines**	
Lucas Inds.	75	Cons Gold	125
Marks & Spencer	22	Lonrho	28
Midland Bk	45	Rio T Zinc	100
Morgan Grenfell	55		

A selection of Options traded is given on the London Stock Exchange Report Page.

FINANCIAL TIMES
Saturday September 5 1987

Guinness Peat rejects manager plan

BY TERRY POVEY

THE Guinness Peat Group yesterday abondoned a controversial multi-million pound plan to buy in a management team to run Guinness Mahon, its merchant banking subsidiary.

The deal, under which £38m would have been paid to a team of eight bankers if they achieved certain profit targets, has been the subject of a war of words between GPG and Equiticorp, the New Zealand banking and investment group which has a 35.6 per cent holding in the UK company.

The GPG board's decision to go ahead with the plan almost certainly provoked the New Zealand group into launching its 110p-a-share bid, valuing the UK company at £338m, two weeks ago.

City reaction to the incentive scheme was universally critical —complicating GPG's defence tactics against the hostile bid.

GPG's announcement came in a terse four-line statement last night. "The board of GPG yesterday considered the impact of the adjourned legal proceedings on the subject of the management proposals for Guinness Mahon. In the current circumstances, the board decided to terminate negotiations" with the eight-man team.

Mr Alastair Morton, GPG's chairman, said the scheme had been "successfully distorted and misrepresented by Equiticorp" but that he wanted the arguments over the future control of the group to centre on value.

"GPG is worth a good deal more than 100p a share," he said.

An adviser to GPG said the management buy-in had been dropped because it was no longer possible to complete the deal before the contract cut-off date of October 31. GPG will be liable to pay the eight a total of £1m in compensation.

The possibility of a meeting of shareholders to consider the scheme in late October was not pursued at it was considered likely to provoke further legal action from Equiticorp.

GPG has also become concerned that small parcels of its shares, adding up to perhaps 3 per cent, have passed to unknown or uncertain hands. Mr Ron Brierley, the New Zealand entrepreneur has a 1 per cent holding, a firm of lawyers based in Hong Kong owns another parcel, as does Bank Leu in Switzerland.

Equiticorp said last night it was pleased that GPG's board "had seen sense," adding that it remained determined to pursue the bid.

"If it had not been for our opposition this extremely costly scheme would have been implemented, and we may still dispute the propriety of the £1m compensation payment."

Bond launches $1.2bn bid for US brewer

BY GORDON CRAMB IN NEW YORK

MR ALAN BOND, the Australian brewing magnate, yesterday pulled the ring tab on the sealed business of US beer making by submitting a $1.2bn (£730m) takeover offer for G. Heileman, the Wisconsin company which has swallowed numerous regional producers and is the fourth largest in the industry.

The $38 a share cash bid from Bond Corporation Holdings, which has the Swan and Castlemaine XXXX brands, pushed Heileman's shares $7¼ higher on Wall Street by lunchtime yesterday to trade at $41⅞ — suggesting a market belief that others might join the surprise party.

Bond itself drew attention to the audacious nature of the move by pointing out that Heileman produced about 18.7m hectolitres of beer last year — roughly the total Australian intake of what Foster's, the Bond group's main domestic competitor, likes to call "the amber nectar."

Elders Brewing, the Foster's, Courage and Carling Black Label producer which Mr John Elliott's Elders IXL is to launch on the London market next spring, was named immediately by analysts as a possible rival bidder.

Elders has no significant US beer operations and the national industry has seen little foreign incursion through acquisitions, although imports have been creeping up. In one of the few acquisitions, Bond recently bought Pittsburgh Brewing, a regional producer about 100th the size of Heileman.

Mr Bond has also been active elsewhere in the US. Last week Dallhold, his Perth-based family company, agreed to pay $500m to Fluor of California for control of St Joe Gold, a medium-sized mining group. In Australia he has mining and property interests and a newly-acquired television network, Channel Nine.

Heileman, which was avoiding all comment on the bid yesterday, has grown by acquisition over the past 15 years. It started as low as 31st in the industry rankings. Mr Bond drew attention to the groups' similarities in a letter to Mr Russell Cleary, Heileman's chairman.

"We're builders, as you are," he wrote. "Bond Brewing is a leader in developing foreign markets. Together, Bond Brewing and Heileman would be the fourth largest brewer in the world, enabling it to exploit markets beyond either of our reaches." He promised to retain Heileman management, while using the company to introduce Bond products into the US.

Heileman made net profits of $48.3m last year from sales of $1.17bn, all but $218.6m of it in beer. Its main other business is in baking and snacks. Its share of the US beer market has declined over the past three years, however, from nearly 10 per cent to under 8½ per cent.

The industry is dominated by Anheuser-Busch, brewer of Budweiser and thought by analysts to be too big for a predator to tackle. It and Miller, owned by Philip Morris, control more than 60 per cent of the market. The closely held Stroh ranks third.

Sales by US brewers are expected to remain flat this year, in part reflecting the success of fashionable imported lines aimed at the youth market. Mr Bond, himself well known because of his victory four years ago, is believed to in the America's Cup yacht race be looking at opportunities in that sector as well.

NEC to manufacture mobile phones in UK

BY DAVID THOMAS IN LONDON AND YOKO SHIBATA IN TOKYO

NEC is to become the first Japanese company to make cellular mobile telephones in Britain for the booming UK market.

The decision is partly in response to an inquiry launched by the European Commission in July into the alleged dumping of Japanese and Canadian mobile phones in Britain.

It follows a spate of recent announcements of other Japanese investments in Europe, initiated partly by efforts to avoid anti-dumping duties.

Panasonic, the other Japanese group with large UK sales of mobile phones, is also studying the possibility of manufacturing the instruments in Europe.

NEC is to begin making 3,000 to 4,000 mobile phones a month at Telford, Shropshire, next summer. Only last week the company said it intended to make printers in the town.

It began producing video recorders there earlier this year.

NEC is investing £53m in manufacturing operations at Telford and up to 900 people could be on its payroll there by the early 1990s.

NEC is considered by observers to be one of the three market leaders in mobile phones in the UK, along with Panasonic and Motorola of the US.

Mr Toshi Yamafuji, assistant managing director for NEC business systems (Europe), said his company had sold more than 50,000 mobile phones in the UK. The number of subscribers in Britain's two cellular networks, launched in 1985, is more than 200,000.

The EC's anti-dumping inquiry was initiated by Motorola, one of the few companies making mobile phones in Britain. Motorola alleged that Japanese suppliers — including NEC, Panasonic, Mitsubishi, Japan Radio (JRC) and Kokusai Electrics, and Novatel Communications of Canada—were dumping mobile phones in Britain.

Mr Yamafuji said the anti-dumping inquiry had speeded up NEC's decision to manufacture in the UK. He added that NEC was confident of the quality and efficiency of UK manufacturing, including components.

NEC said it was too early to announce how many new jobs the mobile manufacturing venture would create or what percentage of components would be sourced locally.

Investment trust restructures to fend off predators

BY NIKKI TAIT

SCOTTISH NATIONAL Investment Trust, a £350m fund which is part of the Gartmore stable, yesterday joined the lengthening list of trusts taking pre-emptive action against potential predators, with one of the largest and most innovative restructurings to date.

In the process it will introduce a new security in London —a "zero dividend" preference share, where investors see a pre-determined return (11.3 per cent a year) delivered solely as capital gain, rather than as more highly taxed income.

Scottish National intends to turn itself into a "split-level" fund in an attempt to eliminate the traditional trust "discount" — the difference between an investment trust's share price and the value of its underlying assets.

Split-level trusts, which offer investors a choice of capital or income shares, have been around for more than 20 years and the past 12 months have seen two other funds convert to split-level status. However, Scottish National will become by far the largest split-level fund, almost three times the size of its nearest rival.

Moreover, the scheme will break new ground by offering shareholders four classes of share in exchange for their current one. The new income shares will enjoy the bulk of the fund's revenues and also have a small participation in the trust's capital growth; the capital shares will be entitled to the bulk of the capital improvement; and the "stepped preference shares" will offer a pre-determined mix of both capital and income growth.

The new feature in the "zero dividend" preference share. Inintially, holders of these shares will be entitled to 100p when the trust is wound up in 1998, but this amount will increase on a monthly basis, in effect paying a return of 11.3 per cent a year. By the wind-up date, investors should be entitled to approximately 325p a share. Although this is effectively a roll-up instrument, the trust's directors say they have been advised that it will attract only capital gains tax.

To implement the scheme, Scottish National will first set the winding-up date, and then have a scrip issue to that asset backing of each share is reduced to 100p. With current net asset value at 495p, this is roughly equivalent to giving shareholders 10 new shares for every two held. The new shares will then convert into the four classes on a five income; two capital; one stepped preference; and two zero dividend preference basis. Because of their variance income and capital entitlements, all types of share should start trading at 96p-104p, thus eliminating the discount.

Scottish National shares, up 21p yesterday are now on a 8.6 per cent discount. Over the past 12 months, however, the figure has been as wide as 20 per cent and over the past five years, 33 per cent

August new car sales set record

By John Griffiths

NEW CAR registrations for the UK in August exceeded the 400,000 level for a single month for the first time, as buyers sought the new E registration prefix.

The 407,333 registrations, which set a record for the second successive year, represented a rise of 6.57 per cent on the previous August, when the comparable figure was 382,215 new cars.

The traditional August sales surge, which was stronger than the industry had expected, lifted sales for the year's first eight months to 1,459,719—up 4.66 per cent on the comparable period of 1986.

Only a totally unforeseen development would prevent the full year's sales setting a record for the third year in succession. Just over 1.88m cars were sold in 1986.

In spite of yesterday's industry euphoria, however, forecasts in some quarters that demand could climb to 2m sales remain unlikely to be realised.

Although the month was dominated by private buyers, many of whom favour European or Japanese cars, statistics from the Society of Motor Manufacturers and Traders show that the market share held by imports fell by more than 4 percentage points, to 54.93 per cent, compared with August last year.

This was primarily the result of Ford and Vauxhall/Opel sourcing a significantly higher percentage of their sales from UK plants, and of the growing sales success of Peugeot Talbot's 309 model, which is built at Ryton, near Coventry.

The society's figures count as British the 5,466 Nissans registered last month, which had been assembled at Nissan's Sunderland, Tyne and Wear, plant. However, under Nissan's agreement with the Department of Industry these cars are still treated as imports and are deducted from Nissan's import quota.

The Nissans would increase last month's total imports percentage by only 1.34 percentage points, however.

Last night Mr Anthony Fraser, the SMMT's director general, said the society was encouraged by the growing share of sales taken by UK-produced cars.

Ford remained the clear UK market leader. The Rover group was a distant second, with its market share just one percentage point ahead of Vauxhall's.

Big three car makers, Page 4

THE LEX COLUMN

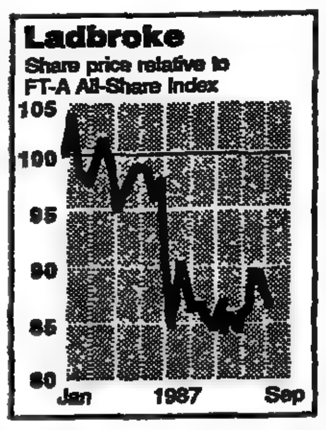
Fed up with the dollar

Perhaps Mr Alan Greenspan has been taking lessons in central bankership from the UK. A rise in interest rates in the face of a sliding currency is claimed to be a way of heading off domestic inflationary pressures. And it is timed the week before a set of trade figures which might now be expected to be worse than the market had earlier estimated. Yet the half-point increase in the discount rate — Mr Greenspan's first visible action since taking the chair at the Federal Reserve — was a rather nervous start compared with the UK base-rate rise last month. The dollar's response was 'so what?' And US bonds and shares are more concerned with the dollar's fall than with the interest-rate effect on the economy.

Mr Greenspan may hope that his move will help him persuade Japan and West Germany to concede something on their interest rates to help with the dollar problem. He is meeting their representatives this weekend in Basle.

Happily, sterling escaped the dollar whirlpool this week and the UK equity market, too, has been more resilient. Worse-than-expected trade figures were shrugged off, as was the sharp drop in official reserves. The inability to look beyond the next set of statistics seems to have been overcome. People can talk cheerfully about fundamentals again. Maybe it is even the start of an autumn rally.

Index rose 7.6 to 1782.1



Ladbroke/Hilton

It's a small world and seems all the smaller when on any street corner you can buy a Coca-Cola, or a McDonald's hamburger. Such global brand-names offering a sense of security to lost travellers are also the aim of the corporate world and Ladbroke's desire to possess the Hilton hotel name — outside the US — was strong enough for it to risk ruining its share-price performance for months ahead and perhaps even opening itself to a bid.

Fortunately for Ladbroke — or possibly thanks to the effort put into explaining the deal to the City — yesterday's £254m rights issue left the shares up 2p at 441p, not down. The deal can certainly be made to look a reasonable one if at first sight the price in historic-multiple terms looks high: just switching Hilton to UK accounting standards will add a few million to profits, let alone the benefits of putting the chain into the hands of a hotel group, not an airline; there should be scope to improve occupancy rates when Hilton is not just the home of Americans abroad; further, whacking up the prices in Ladbroke's existing hotels simply by changing the name from Dragonara to Hilton demonstrates just why branding is so alluring.

So, in spite of a touch of dilution, Ladbroke should still be showing a good rise in earnings next year and a multiple in the low teens. While brokers are generally agreed that the shares are cheap, unless fund managers do, too, Ladbroke may find itself attracting another sort of investor. After all, Ladbroke already has its peripheral activities on the market and its mainstream divisions are each eminently saleable with its hotel operation now the envy of the world.

Brierley/Equity & Law

OCEAN Trasport & Trading, Molins and, now Equity & Law. Mr Ron Brierley, one of the wealthier antipodean corporate raiders, loves taking potshots at the UK corporate establishment and the initial assessment of his hostile bid for Britain's 20th-biggest life-insurer is that it has about as much chance of succeeding as his other abortive bids.

The 365p offer was pitched at a measly premium to the market and yesterday's 37p jump in the share price to 387p indicates that he will have to dig deeper in his pocket if he really wants to own the group. He claims he can do a better job for policyholders and shareholders than Equity & Law's rather staid management team. This is debatable. A 20 per cent per annum growth in dividends over the past decade is nothing to be ashamed of and the group's policyholders have fared better than most. Further, the belief that Mr Brierley can translate his own entrepreneurial investment style to the benefit of Equity & Law's £3.5bn portfolio is questionable given all the various official safeguards which surround the activities of any life company. Even so, Equity & Law will find it difficult to ignore Mr Brierley. He has spent close to £100m for his 29.6 per cent stake and can afford to wait. The group does not have the time or money to escape by turning itself int oa mutual company, and the hostile presence of such a large shareholder can easilny distract even the most confident management team. It looks as if Mr Brierley is waiting for a white knight to emerge.

Blue Circle

Blue Circle's 40 per cent rise in pre-tax profits in the half-year ought to look even more creditable in the light of the sharp drop in US earnings. However, the US hole only seems to draw attention to the hazards of doing business in an internationally-traded, price-sensitive commodity. Add to that the fears that the climb in US interest rates has only just begun and a repeat of the 30 per cent share-price outperformance of the past year looks sadly out of the question.

The company has been doing most things right but whether the heavy cost-cutting in the UK amounts to a single step-change—already discounted —or passage on to a rising-earning's escalator continues to depend, in part, on how it broadens its base. The financial position—with gearing down to 17 per cent—could certainly take the strain of further diversification, especially as the expensive modernisation programme is now almost complete. The difficulty is that many of the obvious routes are blocked by the fear of upsetting customers. That has not, however, stopped the property division powering ahead and, unless the whole UK building sector suffers a sharper drop than expected, Blue Circle should comfortably sustain its current rating of 11.5. Even the slip in market share in UK cement will only become a worry if the price war comes.

Rust Continued from Page 1

Defence Minister, was retired and Marshal Alexander Koldunov, Commander-in-Chief of Air Defence, was dismissed as a result of the episode. Diplomats say that another 18 generals have been retired less publicly and there has been strong press criticism of the military.

The fierceness of the attack on the armed forces for failing to stop Mr Rust made it unlikely that the authorities would dismiss his escapade as a student prank and allow him to return to West Germany without a trial.

In a plea of mitigation, Mr Vsevolod Yakovlev, Mr Rust's lawyer, claimed that his client was an idealistic but naive young man who did ot realise the consequences of landing in Red Square. "Here was no espionage, no adventurism and there were no young women. Girlfriends are boring for him," he said.

It has still not been explained how the vast Soviet Air defence organisation, with 630,000 men and 2,250 aircraft, did not stop Mr Rust reaching the centre of the capital.

The prosecution underlined that he had come close enough to Sheremetevo international airport at Moscow to endanger civilian planes but air traffic control appears not to have noticed him on radar.

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
AMEC	382	+ 9	Midland Bank	500	+ 20
Abbey Life	290½	+ 10½	Pearson	753	+ 15
Assoc British Foods	366	+ 10	Plessey	194	+ 6½
Barham Group	251	+ 16	Reed Intnl	554	+ 11
Bellway	285	+ 9	Refuge Group	574	+ 17
Berisford (S. & W.)	348	+ 12	Smallshaw (R.)	175	+ 35
Calor Group	458	+ 16	Taylor Woodrow	435	+ 20
Dalgety	393	+ 11	Williams (Rex)	116	+ 18
			FALLS		
Davies & M'tcalfe A	113	+ 15	Treas 11¾pc '01-'04	£109⅝	— ⅞
Equity & Law	387	+ 37	Barclays	550	— 13
Guinness	365	+ 10	Collins (William) A	728	— 10
London & M'chester	345	+ 19	Sedgwick Group	290	— 14
Macarthy	538	+ 28	TI Group	416	— 17

Peace mission Continued from Page 1

hunters to the Gulf. The Cabinet will make a final decision on the matter next week. Belgium, which has also been considering such a move, may now come under additional pressure to follow suit.

The Italian move means five navies from outside the region will be in the Gulf. The US already has about 30 warships and more than 15,000 military personnel in the region; Britain and France are boosting their relatively small naval patrols with minesweepers and, in the French case, with an aircraft carrier; and the Soviet Union has several vessels there, including minesweepers.

No departure date for the Italian warships was announced yesterday but preparations were expected to begin almost immediately.

The composition of the task force was not revealed but according to the Defence Minister it could include a contingent of about three Lerici class minesweepers carrying 40 men each, a support ship with 113 ment, two frigates with 225 men each and possibly a submarine.

WORLDWIDE WEATHER

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	27	81	Dallas		—	—	Madeira	F	25	77	Reykjvk.	C	13	55
Algiers	S	31	88	Dublin	C	17	63	Madrid	S	26	79	Rhodes	S	26	79
Amsdm.	F	19	66	Dbrvnk.	S	28	82	Majorca	F	29	84	Rio J'o		—	—
Athens	S	29	84	Ednbgh.	S	16	61	Malaga	S	26	79	Rome	F	27	81
Bahrain	F	31	88	Faro	S	26	79	Malta	F	28	82	Salzbrg.	F	24	75
Barclna.	S	27	81	Florence	F	29	84	M'chstr.	R	16	61	S F'cisco†	F	14	57
Belfast	C	16	61	Frankft.	S	25	77	Melbne.	C	15	59	Seoul	F	26	79
Belgrd.	S	28	82	Geneva	F	22	72	Mx. C.		—	—	Singapr.	S	33	91
Berlin	S	23	73	Gibraltar	C	24	75	Miami†	F	26	79	S'tiago		—	—
Biarritz	C	21	70	Glasgow	F	16	61	Milan	F	26	79	Stckhm.	F	18	64
Bmghm.	C	17	63	G'rnsey	F	16	61	Montrl.†	R	13	55	Strasbg.	F	22	72
Blackpl.	F	17	63	Helsinki	F	14	57	Munich	F	23	73	Sydney	S	15	59
B. A'res		—	—	H. Kong	S	31	88	Nairobi	F	27	81	Tangier	F	24	75
Bombay	F	31	88	Innsbrk.	F	24	75	Naples	F	30	86	Tel Aviv	F	29	84
Bordx.	F	23	73	Invrnss.	R	15	59	Nassau		—	—	Tenerife	F	26	79
Boulgn.	F	19	66	I.o.Man	S	16	61	Nwcstl.	C	16	61	Tokyo	C	20	68
Bristol	C	18	64	Istanbul	F	24	75	N Delhi	S	34	93	Toronto†	S	8	46
Brussels	C	18	64	Jersey	F	20	68	N York†	S	16	61	Tunis	S	30	86
Budpst.	S	27	81	Jo'burg	S	21	70	Nice	S	26	79	Valencia	F	28	82
Cairo	S	30	86	Leeds	F	16	61	Nicosia	F	27	81	Venice	S	27	81
Cardiff	F	19	66	L. Plms.	S	26	79	Oporto	S	23	73	Vienna	S	25	77
Cape T.	S	16	61	Lisbon	S	23	73	Oslo	C	13	55	Warsaw	S	19	66
Chicago†	S	13	55	Locarno	F	22	72	Paris	C	19	66	Wshgtn†	F	17	63
Cologne	C	22	72	London	F	19	66	Peking	S	27	81	Wellgtn.	F	13	55
Cphgn.	F	17	63	L. Ang.†	F	18	64	Perth	S	19	66	Zurich	F	21	70
Corfu	S	28	82	Luxmbg.	F	21	70	Prague	S	22	72				

C—Cloudy. Dr—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Discount rate raised Continued from Page 1

tion revised its forecast for the 1987 inflation rate from 3.8 per cent to 4.8 per cent. But Mr Beryl Sprinkel, chairman of the President's Council of Economic Advisers, described inflation fears as "exaggerated."

For the past two weeks the dollar has taken a battering in the markets. Analysts said the absence of any firm statement by officials had contributed to bearish sentiment. This week the US Trade Representative, Mr Clayton Yeutter, said earlier Administration forecasts of a $20bn to $30bn fall in the record $156bn trade deficit were "at risk."

Analysts said that the statement appeared to be an effort to talk down the dollar before this month's International Monetary Fund meeting in Washington, noting that it was not accompanied by any major Fed intervention to prop up the dollar.

A floor representative for Drexel Burnham Lambert Inc's futures trading in Chicago said yesterday: "Unless we hear from Baker (US Treasury Secretary) or Greenspan about what the heck they want from us, we're going to sell the dollar until it bleeds."

European central bankers interpreted the move as signalling both the Fed's concern to damp down inflationary pressures in the US economy and as a signal from Dr Greenspan that he was not prepared to see an uncontrolled fall in the dollar.

It was seen as reflecting the upward trend in international interest rates over the past few months as the pace of price rises has accelerated. Higher oil prices and some strengthening in the international commodity markets made such a trend inevitable.

European financial markets were unimpressed by the rate rise, citing a bleak outlook for the US trade deficit as a continuing force of pressure on the dollar.

The dollar closed in London at DM1.795, only fractionally up from DM1.7935 on Thursday, and at Y141.70 against Y141.0. The pound, which had benefited for much of the week from the dollar's weakness, lost 0.4 cents to close at $1.654.

WEEKEND FT

Saturday September 5 / Sunday September 6 1987

• MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV •

Unnatural selection

Developments in biotechnology are leading to a farming revolution, says Giles Merritt

THE NEXT time Mrs Thatcher and her fellow European leaders want somewhere different to hold an EC summit they might like to consider using Olivier Laudoyer's laboratory.

His work-bench-cum-test-tube consists of 125 acres of rolling Picardy countryside about 40 miles north of Paris. If Europe's politicians and government officials don't object to a bit of mud and some fairly primitive telecommunications, it would be a very fitting place for the EC Euro-circus to pitch its tents.

Monsieur Laudoyer's "laboratory" is a genetic research station where half a million different strains of hybrid wheat are being developed. A visit there would concentrate minds wonderfully on the number one problem of agricultural overproduction that will face both Europe and the world in the 1990s. For the revolution in biotechnology now looks set to change the Common Agricultural Policy from farce into tragedy.

Olivier Laudoyer is the research manager of HybriTech, a joint venture between chemicals giant Monsanto and one of France's leading plantbreeders, the Co-operative de Pau. He is a burly, weatherbeaten man who, portable computer in one hand, spade in the other, would seem to epitomise the new breed of biotechnologist bent on transforming the nature of agriculture.

HybriTech's target is super-yield crops that will push farmers' cereals harvests up by some 20 per cent. Laudoyer says that several hundred of his new wheat strains in fact already offer that sort of yield, and that the hunt is now on to refine them to resist particular diseases and climates. The real goal, he adds, is to use gene-splicing techniques to develop cereals that are resistant to particular herbicides. In this case, Monsanto's herbicides.

"The new hybrid strains of tomorrow will be like a Ferrari compared to today's 2CVs," explained Laudoyer. He is understandably reluctant to put a date on the market launch of either HybriTech's new high-yield wheats and barleys or those of his competitors. "Perhaps within several years, perhaps not until the mid-Nineties."

The timescale might still be unclear, but what is evident is that the work going on with hybrid cereals is just one part of the accelerating bio-revolution. Elsewhere, the biotechnologists are creating such strange and unsettling novelties as hybrid animals and tissue culture plants that grow not in fields but in fermentation vessels.

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FOR THOSE of us who have suffered through this year's dismal summer in northern Europe, and have been watching the combine harvesters grapple with sodden crops, it can be hard to grasp that it is glut that threatens farmers most, not poor harvests.

In any case it goes against the grain, as one might say, to worry about the problems created by plenty. Yet if market forces were to be unleashed in the farm sector something like two-thirds of Europe's 8m farmers would go to the wall. And that's before taking into account the extra pressures being engendered by biotechnology.

The scale of the phenomenon is best illustrated by a look at the advances being made in agricultural productivity. During the past year or so the bio-revolution has begun to spin-off significant new developments in areas of agriculture that are far apart. These include:

- A gene-splicing breakthrough that could shortly revolutionise the economics of dairy farming. Within a matter of months, the first commercial sales will take place of bovine somatotropin (BST), a genetic growth hormone that offers increases in milk yields of 15-20 per cent without raising feed costs. It looks as if BST, versions of which have been developed by multinational corporations like American Cyanamid, Eli Lilly, Monsanto and Upjohn, will go on sale first in Britain and Italy by early 1988.
- The first man-made animal to be capable of breeding. Scientists working for the US government's Department of Agriculture have recently bred from a pig that has the growth-hormone gene of a cow. The animal is grossly deformed, crippled by arthritis and expected to die prematurely before even reaching the age of two. It is a boar with extremely short legs, cross-eyes and a strange wrinkly rust-coloured skin. Much more to the point, though, the new strain of pig is very fast growing and its meat is low in fat.

Duplication techniques

- Calves can now be "harvested" from cows at a greatly increased rhythm, thanks to embryo duplication techniques that enable a single cow to produce twin calves five times in a year. Work is also under way, backed by EEC funding, on altering animals' reproduction cycles. Other areas of development include embryo transfer and predetermination of sex.
- Genetic researchers have identified a chicken growth hormone that could drastically cut the time needed to rear broiler fowl.
- The idea of creating a "square tomato" that would stack easily in warehouses is a longstanding joke among biotechnologists, but the tomato is in fact undergoing intense development. The Pomato was the first hybrid plant to be created, when in 1978 researchers combined a tomato and a potato under laboratory conditions. Now a New Jersey company, DNA Plant Technology, has developed for Campbell's Soup a new strain of tomato that is specially high in solids.
- Industrial tissue culture techniques may soon eliminate the need to grow whole plants in order to obtain commodities like dyes, flavours, fragrances and natural drugs and chemicals. Biotech specialists, notably the UK company Plant Science, are already producing items such as digitalis, opium, ginseng and pyrethrum by culturing root cells in a fermentation vessel.
- Even the extremes of the weather may yet be tamed by the biotechnologists. A Californian company, Advanced Genetic Sciences, is experimenting with genetically altered microbes that can inhibit strawberry plants from freezing.
- Tree cloning techniques are being developed that could tackle sub-Saharan Africa's desperate firewood shortage. Seedling trees will be grown from the cells of mature trees, but more work still needs to be done to improve cloning methods so they can be adapted to poor soils and inhospitable conditions.

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This summer Professor Marc Van Montagu made it onto the front cover of Nature magazine, and so for a while became the pin-up of the worldwide scientific community. The breakthrough that won him that distinction marks a significant new stage in the bio-revolution.

He and a team of researchers at the University of Ghent in Belgian Flanders have gene-spliced plants to induce two remarkable properties. The first is that they are now genetically resistant to many insects. The second is that they are also resistant to a particular kind of herbicide called "Basta" that is manufactured by the West German chemical company Hoechst.

In other words, Van Montagu and his colleagues may have discovered the secret of turning the base metal of academic research into commercial gold.

Their recently published work is being hailed as a milestone because it directly links an important agricultural advance with a specific commercial product. So far the insect resisting plants that have been produced are limited to cabbages, tobacco and tomatoes, but before long cotton and maize will be added to the list.

Van Montagu's company, Plant Genetic Systems — a US-style example of campus capitalism which employs most of his colleagues in the university's biotechnology department — is at present locked in an unseemly wrangle with Hoechst over terms.

The Ghent scientists are asking for up to a tenth of the profits from future sales of a package that will consist of compatible seeds and herbicide. Hoechst is demurring over the price, while Professor Van Montagu says the revenue is essential if Ghent is to hold its own as an international centre of excellence in biotechnology.

For the meantime, Van Montagu's team has the edge on researchers elsewhere who have been trying to twin a breakthrough in plant genetics with the application of a particular brand of herbicide or fertiliser. The bio-revolution is fast becoming a commercial battlefield on an epic scale.

Big chemicals companies like Monsanto and Sandoz have bet the farm on their strategies of switching emphasis away from industrial chemicals into biotech. Their sights are firmly set on an industry that is forecast to grow from its present turnover of around $25bn a year to an annual $100bn by the year 2000. Monsanto, for instance, is spending two-thirds of its $500m-plus yearly R & D budget on "life sciences" and ICI has embarked on a biotech acquisitions spree designed to triple its present $200m a year sales in the agricultural seeds business.

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THE bio-revolution has generally been viewed by officialdom as a first cousin to the green revolution. It is thus seen as a benign further phase of the same phenomenon that in the last quarter century has helped Third World rice and cereals harvests to soar. Yet the signs are that it is, in a number of ways, radically and alarmingly different.

In the first place, experts anticipate that there will be fundamental, and probably unwelcome, developments in the rich industrialised countries. "It will mean disruptive structural changes," warns Dr Mark Cantley who heads the EEC Commission's Concertation Unit for Biotechnology in Europe (CUBE).

Dr Cantley points to forecasts that suggest America's present 2.2m farmers could, for instance, be halved in number by the turn of the century. "Something like 75 per cent of America's food may be produced by no more than 50,000 giant farms," he adds. Others inside the Brussels Commission fear very similar developments in Europe, with the added worry that national tensions could unravel the CAP.

Promise of survival

The green revolution was pioneered by plantbreeders like Nobel prizewinner Norman Borlaug. Using conventional cross-breeding techniques he wrought miracles in India and China. Since the 1960s some Asian harvests have increased fourfold. But the green revolution did not greatly affect temperate agriculture. Genetic manipulation, on the other hand, will entail dramatic increases in European and American farm outputs, with potentially disastrous consequences.

Even without the advances in plant disease prevention that the biotechnologists are still striving for, the upcoming generation of gene-spliced hybrid wheats and barleys promises to plunge the world's cereals farmers into an overproduction crisis of major proportions.

The EEC's surplus grain mountain is already due to double its present size and top 40m tonnes by 1991. Over the last 20 years cereals harvests have increased by an average 1 per cent annually. The implications of a sudden 15-20 per cent rise in Europe's harvests and those of America, Canada, Argentina and Australia are unsettling. At very least they suggest a farm trade war to dwarf the present international subsidies race.

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The impact of BST on the dairy sector could be dramatic. A study by West German experts at Hohenheim University in Stuttgart reckons that BST will enable dairy farmers to cut milk production costs by about 10 per cent.

The farmers will be able to produce more milk from fewer cows. That will aggravate overproduction that now stands at 17 per cent and at the same time will reduce the dairy farmers' labour needs and their consumption of cattle feed. The Hohenheim analysts add that within five years about 30 per cent of Europe's cows will be treated with BST, and the world market for the product is being put at over $1bn.

In the short term, BST will enable Europe's many smallholders to hang on and resist the economic pressures that are driving them off the land. Four-fifths of European dairy farmers have fewer than 10 cows, and the arrival of BST promises them survival for a little while longer. For the 20 per cent of farmers who produce 80 per cent of Europe's milk it spells a financial bonanza.

But in the longer term, BST and all the other developments in biotechnology are going to place intolerable new strains on farm subsidy systems that are already groaning under the weight of the surpluses.

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Meanwhile, the difficulties created by the Bio-Revolution will go far beyond the farmlands of Europe or the US. The coming increases in agricultural output may well have disastrous consequences for the Third World.

On the face of it the emergence of new super-foods should be a boon to the struggling peasant farmers of Africa, Asia and Latin America. In fact, the signs so far are that the bio-revolution could have a very negative effect on agriculture in developing countries.

The principal problem is that the Europeans and the Americans will be dumping their ever-larger surpluses onto world markets. This deluge of subsidised cut-price food will ensure that imports displace locally grown food, and will drive still more Third World farmers off the land.

All the evidence, therefore, seems to point a situation where the bio-revolution will be creating as many problems as it solves, and perhaps more. So, was Jonathan Swift right or wrong? "Whoever could make two ears of corn or two blades of grass grow upon a spot of ground where only one grew before," runs that oft-quoted passage from Gulliver's Travels, "would deserve better of mankind, and do more essential service to his country than the whole race of politicians put together." Maybe.

The Long View

Spare a thought for shareholders

They're a necessary part of a capitalist system but their passive nature means that all too often they are accorded all the status and popular standing of an absentee landlord, says Barry Riley

IT SEEMS there are more of them about these days. But they are not much more highly regarded, either by companies or by the Stock Exchange. Only the Government seems keen on encouraging them.

Shareholders are a necessary part of a capitalist system, but their largely passive nature gives them something of the status and popularity of the absentee landlord. The heroic shareholder is a theoretical possibility (my colleague Richard Lambert has put forward Warren Buffett in this space as a candidate) but the species does not appear to flourish in Britain. Even in the United States, he is liable to turn into a corporate raider.

My old economics textbooks, to the extent that they considered the role of the shareholder at all, tended to confuse him with a proprietor—which legally, admittedly, he is.

I was once rash enough to suggest in print that managers might sometimes have priorities (their own accumulation of wealth, perhaps) other than shareholders' interests.

"Preposterous, by definition," thundered a riposte from academe. Companies are managed to maximise the wealth of shareholders; so there. But I am unconvinced.

Shareholders come in different categories. Private shareholders can be anybody — you, me or, more likely, Auntie Flo who has outlasted the rest of the family and has accumulated the wealth. In the mass, private shareholders are greedy, ill-informed, long-suffering and loyal. They respond eagerly to leadership but, unfortunately, they normally get it only from colourful and unscrupulous entrepreneurs.

For years, companies and the Stock Exchange conspired to kill off small investors gradually. They were a nuisance and cost a fortune to circularise. They have scarcely been regarded as proprietors; indeed, they are all too often regarded as the raw material of lists that can be sold off to direct mail advertisers.

Then, along came Margaret Thatcher, who perceived that there could be valuable political mileage in wider share ownership. Just as home ownership turned council house tenants into Tory wets, so the spread of share ownership could tranform them further into proper competitive capitalists.

These millions of new private shareholders have been lured by instant profits on privatisation issues. When the going gets tougher, many of them are likely to fall by the wayside. But the growth of wealth is expanding steadily the potential ranks of serious shareholders, if only financial intermediaries can reach them.

The rise and rise of institutonal shareholders was the mirror image of the post-war decline of the private investor. The institutions have had better marketing than the Stock Exchange and its brokers, and often had tax advantages, too. Like small investors, the institutions are also easily led, although primarily by aggressive companies on the takeover trail.

Fund managers have neither the resources nor the inclination to intervene in company management. Their passive stance, therefore, leaves a power vacuum which can be filled by acquisitive entrepreneurs and their fee-hungry corporate finance advisers.

One consequence has been the rise and fall of a succession of large conglomerates dedicated to the creation of the stream of smoothly rising earnings per share which is the institutional fund manager's key objective. In doing so, they usurp much of the function of diversification which the institutions can claim legitimately as their important contribution.

Meanwhile, they find companies also taking geographical decisions for them, as with the present spate of British companies' American acquisitions which are being financed willy-nilly by the UK institutions. This weakness arises because institutional shareholders have confined themselves to the narrow role of assessing relative share values according to their perceptions of company performance.

However, if this is a big step away from the proprietorial position, a further leap in the same direction is taken by index funds and other users of programmed techniques. The index fund manager is totally passive. If a company is floated he has to buy an appropriate weighting, simply to stay in line with the index, regardless of whether he thinks the shares represent good value or not.

If indexing becomes widespread, the ability of the stock market to value individual shares sensibly will be undermined. The *reductio ad absurdum* would be a kind of corporate treasurers' paradise in which investors would take up any amount of stock created for whatever reason.

Even now, there is enough "closet" or undeclared indexing for the Government to be able to exploit the phenomenon in big privatisation issues. Large, cheap allocations to private investors create an artificial shortage of stock in institutional hands, ensuring a premium in the aftermarket and a quick profit for the stags.

Finally, there is the new character, the global investor, who can be seen primarily, perhaps, as the seeker of ultimate diversification.

Governments, especially in the Third World, tend to be suspicious of foreign shareholders, but companies in the more developed countries are increasingly inclined to cultivate them, perhaps because they promise to be particularly passive (and therefore pliable) and also because they could serve to further the global ambitions of managements.

Global operations matched by global shareholdings could be the way things will go. But there are no corresponding global legal structures, and where should the annual meetings be held?

I am very much afraid that in diversifying away from known risks, the global investor is taking on board others of which he is not yet aware.

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• MARKETS •

Good news week

AFTER TWO months when the market—starved of results—has struggled with a stream of cash calls and fears that the economy is overheating, a whole host of major companies rolled out the good news this week.

Indeed, it was almost enough to make dealers forget the macro-headaches altogether; by Friday's close, the FT 100-Share Index had recovered to 2274.9, a gain of 25.2 points over the shortened Bank Holiday week, and now 89.6 points up from its August low after the unexpected base rate hike hit the screens.

Not quite enough, however. Tuesday brought a painful *reminder of the ongoing economic problem* with the publication of July trade figures. These showed a current account deficit *of £310m, confirming both the* deterioration in Britain's trade balance throughout the second quarter and the accelerating import trend.

Most analysts had suggested that any deficit beyond £200m would be considered disappointing, and the market's snap reaction was to cut bond and equity prices. But with little *sign of institutional selling, it* soon recovered its nerve — cheered largely by sterling's resilience against a crumbling dollar and the realisation that there were no additional grounds *for further* action on the interest rate front.

That was promptly confirmed by Chancellor Nigel Lawson on Wednesday, giving further heart to the gilt market and pushing the yield on high coupon longs back under 10 per cent—a welcome reaction for any equity investor given that the yield gap has been standing at a five-year high. Shares, though, *caught a belated cold from* Wall Street's Tuesday plunge and the subsequent shakedown in Tokyo, and the 100-Share lost all of Tuesday's gain.

But by Thursday and Friday, *it was almost plain sailing.* As the CBI indicated in its latest monthly trends survey, published at the start of the week, short-term prospects for British manufacturers seem to be buoyant—even if 1988 looks to be ominously tougher. The likes of BATs, Cadbury-Schweppes, Williams Holdings, Hillsdown, Blue Circle and Bunzl seemed out to prove that right. Only the prime rate rises in the States contrived to spoil London's recovery — halting, though not entirely obliterating, Friday's rise.

London

BAT Industries, which has *spent so long battling against* its mature, tobacco-dominated image, topped all expectations with a 26 per cent rise in half-time pre-tax profits (and a marginally higher improvement in eps growth) to £699m. The sharpest advance came from financial services—predominantly British insurance group, Eagle Star, a BATs diversification back in 1984—*where there was a 66 per cent* advance in operating profit to £214m, on the back of a reduced underwriting loss and hefty investment gains.

Financial services now *account for 28 per cent of the* profits total and tobacco about half. The old core business did well enough—up from £313m to £381m—thanks to higher prices, lower marketing spend and increased exports *partially offsetting a sharp* drop in the US domestic sales. *The company warns that the* second half, when promotional spending picks up, may not look quite so good. Even so, *pundits added £20m or so to* their full-year forecasts, to give around £1.63bn, or a prospective p/e of about 10. With recent legal ruling in the States apparently lowering the litigation risk to tobacco companies, most reckon the rating *is* too low. But supporters have been saying that for years now—and *the shares gained just 16p to* 662p over the week.

The insurance sector "proper," meawhile, had something of a hectic week. Continuing the stream of composite results, GRE *reported a near-50 per cent advance to £82.2m* pre-tax in the first half, while Sun Alliance doubled to £104m. But the big surprise was the £367m cash bid by New Zealand entrepreneur, Ron Brierley, for Equity and Law yesterday.

Brierley has been building up a near-30 per cent holding in the life group for almost 18 months and there was instant speculation that he may be trying to flush out a rival bidder —possibly one of the clearers. Equity and Life's response was an unequivocal "no," but the market clearly expects further action *from somewhere*—marking the shares 37p higher at 387p by lunchtime, a 22p premium to *Mr Brierley's terms.*

Acquisitions made the reading of results from Williams and *Hillsdown — two of Britain's* more acquisitively-minded businesses — more complex. The former enjoyed the first full inclusion of its Duport and LMI purchases, and is also now minus some of its smaller and less successful interests. Moreover, it took £5.45m — largely the cost of its recent abortive *Norcross bid — below the line,* though flattered the comparable 1986 figures to the tune of £3m by treating the profit on the sale of its McKechnie stake as an exceptional.

That said, the rise in pre-tax profits from £8.5m to £18.1m for the six months to end-June was impressive by anyone's standards, as was the leap in fully diluted earnings per share from 15.4p to 28.5p. With the benefits of Crown Paints and Polycell yet to come in, the bulls are sugesting up to £55m for the full year, or a prospective p/e — with the shares up 47p over the week to 969p — of 16.

Hillsdown, though every bit as deal-hungry, at least spelt out the organic growth—an impressive 38 per cent advance at the operating level. After a half-time *pre-tax total of £41.6m* (£19.6m), company watchers predict upward of £105m (£54.9) for the full year.

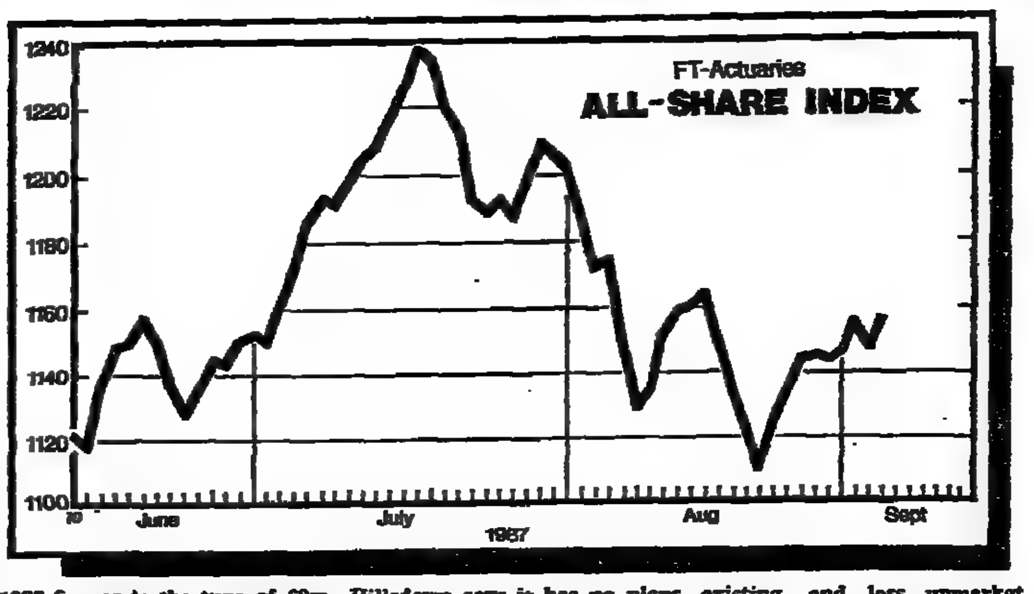
Hillsdown's share price, however, has been clouded by the overhang of a 15 per cent placing by co-founder, David Thompson—and, perhaps more pertinently, worries about the degree of his continued commitment towards the company. Despite gearing of 130 per cent, Hillsdown says it has no plans for a cash call and sees ways of reducing this to double figures by the year-end—especially as the rationalisation of recent Canadian purchase, Maple Leaf Mills, works through. The market, though, still takes some convincing—marking the shares just 7p higher at 327p on the week, and suggesting a prospective p/e at 15.

On technical grounds, too, the market looked to be having an easier ride this week. The deluge of paper from cash-raising companies appeared to have reduced somewhat, with the £113m rights issue from book publisher William Collins to fund the purchase of a 50 per cent stake in US publisher Harper and Row, the main new call.

That was until yesterday, when Ladbroke confirmed that it is to buy the 91 Hilton hotels off US-based Allegis Corporation, funding the £465m deal via another £254m rights issue —the last was in the spring— and the rest through bank borrowings (to be *partially* repaid as it disposes of certain existing, and less upmarket, properties). News that Ladbroke was interested in the prestigious chain seeped out a week ago, and the shares—despite some formidable results—have been a weak spot since. But yesterday, the market decided it liked the deal and the upmarket thrust, pushing the price just 2p higher at *441p.*

But perhaps the most intriguing situation of the week was Newmont Mining, a US company, where Texan oilman, T. Boone Pickens, has indicated plans for a $6bn bid. Consolidated Gold Fields holds 26 per cent of Newmont's shares, *bought for approximately one-third* of Pickens's offer price. Whether ConsGold extends a friendly hand to Newmont—no doubt at some price—or takes Pickens's money (assuming it ever arrives), the market decided the UK group could scarcely lose. ConsGold shares added £1 to £14.40p—a bright spot in a generally brighter week.

Nikki Tait



HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1987 High	1987 Low	
FT Ord. Index	1,782.1	+22.3	1,926.2	1,320.2	More relaxed over economic stats
Appledore	410	+178	410	199	Takeover approach
BAT Inds.	662	+16	675	452	Interim results exceed expectations
Bunzl	237	−23	278	207	Interim results disappoint
Cheshire Wholefoods	271	+23	283	218	Agreed bid from Koninklijke Wessanen
Cons. Gold Fields	£14$\frac{7}{16}$	+ 1$\frac{1}{16}$	£15	668	Pickens bid for Newmont Mining
Dixons Group	363	+30	425	304	Brokers' 'buy' recommendations
Equity & Law	387	+56	388	305	Hopes of counter to Brierley bid
European Home Products	350	+33	350	128	£3m Spanish acqn./doubled profits
Lee International	342	+79	343	152	Management buy-out following big acqn.
Midland Bank	500	+45	524	421	Stake-building/bid rumours
Next	343	+21	380	225	Brokers' 'buy' recommendations
Pearl	406	+30	430	316	Takeover speculation
Personal Computer	250	+23	250	131	Preliminary profits up 64 per cent
Polly Peck	376	+27	378	134	Overseas traders recommend
Quick (H. & J.)	368	+53	371	125	Excellent interim figures
Regalian	271	+26	315	152½	Thameside site sold for £74.4m
Storehouse	371	−16	401	269	Bid fails to materialise
Sun Alliance	£10½	+ ⅝	£11	645	More than doubled interim profits
Williams Holdings	969	+47	970	570	Half-yearly figures

USM greets September with burst of activity

SEPTEMBER is traditionally a busy month in the City as the money men return refreshed from their holidays and eager to put together a few deals. Even so, this week has seen an extraordinary burst of activity on the Unlisted Securities Market.

A new company is set to join the market after the deal announced yesterday through which Highland Participants, now traded under the Stock Exchange's Rule 535 (3), is buying the main market group A & P Appledore for £13.8m.

The man behind the bid is Peter de Savary, the veteran of many a British America's Cup effort, and the deal has a definite nautical tinge. Appledore's principal asset is a half-share in the port of Falmouth and Highland intends to buy out the other 50 per cent and develop Falmouth as a ship-repairing centre and as a bunker (refuelling station).

If the deal is approved, the new company will join the USM in two months via an introduction with a likely value of around £40m. De Savary bought into Highland, which has interests in oil exploration and production, in July and is injecting a further £3m into the group, which will leave him with 21 per cent of the enlarged equity.

Let us hope that Highland has a happier career on the USM than that of Fletcher Dennys Systems, a micro-computer systems dealer, so far. Launched in July 1986 on a p/e of 15, reflecting the previous year's profits of £403,000, it hoped to avoid the problems of other "box shifters" by tying in customers via *preferred purchase* agreements, by concentrating on IBM equipment, and by emphasising customer services.

Unfortunately, the company had a *large* base of local authority customers who traditionally placed their orders at the end of the financial year. And, last year, the orders failed to arrive.

The company *signalled* its problems in May when it announced that its annual figures were likely to show a pre-tax loss of £500,000. One of the founders, Dick Dennys, decided to leave.

Unfortunately, when the figures actually arrived they were even worse—the loss was £900,000—and this week the group announced a capital reconstruction package.

Junior Markets

Hillsdown Investment Trust, a new vehicle spun off from the fast-growing food-to-furniture group Hillsdown Holdings, is *leading* a consortium of investors taking a 61 per cent stake. In addition, the group is making a one-for-four rights issue with the total package worth £1.28m.

However, the shares, placed last year at 70p each and trading at 76p only last week, are being offered to the consortium and in the rights issue at only 5p. And *the other* founder, Jim Fletcher, is leaving the group.

A more encouraging story for budding USM entrepreneurs is that of two new "muesli millionaires," Ian and Philip Thompson. USM paper millions often are ephemeral since holders rarely can realise their stakes without causing a plunge in share price.

This week, though, the Thompsons were able to accept 280p a share for their stakes in the breakfast cereal company Cheshire Wholefoods as part of an agreed bid from the Dutch company Royal Wessanen. Cheshire's profits have grown strongly in recent years, reaching £778,000 in the year to March, and the group hopes that by becoming part of the Dutch group it will gain access to export markets.

Meanwhile, another recent USM entrant, Blenheim Exhibitions, which joined the market not long after Fletcher Dennys, announced a deal which it claimed made it the leading conferences and exhibitions organiser in Europe. It is buying Online International, which specialises in organising exhibitions and conferences on hi-*tech subjects, in an agreed bid* worth up to £14m. Blenheim also said that it expects to make £1.42m in the year to August, up from £802,000 in the previous year.

Another USM company announced sharply-increased profits this week — Orchid Technology, the Californian software house, which had its problems joining the market.

The group originally planned to join the market in January but was forced to delay the launch because of a distinct lack of enthusiasm among institutional investors. The record of USM software companies has not been encouraging and institutions perhaps found it *difficult to believe* that *the* group would meet its forecast of an increase in pre-tax profits from $1.78m to $6.5m.

This week, however, the company announced that it had and the shares, placed at 106p in April, now stand at 151p.

Philip Coggan

Cablec gives BICC a hoist

THE SHARES of BICC enjoyed a minor re-rating this week ahead of next Wednesday's interims, jumping 18p to 402p on Thursday alone. This was partly due to a delayed response to the $96m acquisition of Cablec earlier in the week, which fulfils BICC's longstanding ambition to establish a cable-manufacturing facility in the US.

Analysts are however, also increasingly confident that the *half-year figures will not disappoint*, as they have done several times in recent years. Reflecting the benefits of last year's rationalisation of the cables division, and good trading conditions for Balfour Beatty, BICC *should make* between £55m and £60m, against £47m.

Despite its failure to acquire Pilkington in January this year, BTR has not in the least abandoned the takeover trail—particularly in the *Far East.* Nylex — BTR's Australia-based subsidiary — has been busy snaffling up companies in Taiwan and the Antipodes, and is a mini-conglomerate in microcosm. It should be the main force behind growth in BTR's interim figures, due out on Wednesday. Analysts' forecasts range widely from £250m to £290m, against £203m in the first half last year.

It is difficult to get excited about British Telecom's first-quarter results, due on Wednesday. The mid-point of City forecasts point to pre-tax of £550m, a solid 10 per cent up on 1986. With its industrial action now behind it, no special factors of any size are expected.

Perhaps the more interesting event will be in Birmingham, where BT's annual meeting is to be held the same day. It will be surprising if the board does not get a pasting for the company's recent dismal performance

With a bigger non-life insurance account than Britain's *other life assurance and financial services groups,* Prudential Corporation tends to report more volatile earnings. Wednesday's interims should be bol*stered, however, by its healthy* new life business figures, published on July 17, which showed a 17.5 per cent jump in new annual premiums.

The Pru will also benefit from the first full six months' earnings *from Jackson National,* the US life company it bought last year, and should show more fruits of its acquisition of some 560 British estate agency offices. Analysts are mostly expecting a pre-tax figure from £90m to £110m, though Savory Milln, is going for £121m. Last year, the Pru made pre-tax profits of £64.7m at the half-way stage, though that figure may be restated this time around.

Results due

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
OPCE Holdings	Thursday	0.5	1.2	0.6
Electron House	Tuesday	1.4	2.0	1.5
Framlington Group	Thursday	3.0	6.0	5.0
Haynes Publishing Group	*Tuesday*	5.0	9.0	6.0
Heggee, John	Thursday	—	—	1.0
Ibstock Johnsen	Tuesday	0.9	2.2	—
Intereurope Technology Services	Friday	1.8	4.0	2.0
Isotron	Thursday	0.5	1.0	0.6
London Merchant Securities	Tuesday	0.6	1.5	0.8
Magnetic Materials Group	Monday	—	1.9	—
Pacific Sales Organisation	Friday	1.0	2.0	1.0
Pifco	Thursday	1.8	4.0	2.5
Sirdar	*Thursday*	1.7	3.8	—
Thompson T-Line	Thursday	—	—	—
INTERIM DIVIDENDS				
Abbott Mead Vickers	Wednesday	1.5	2.0	
Acorn Computer Group	Thursday	—	—	
Admiral Computer Group	Tuesday	—	—	
Ameri	Tuesday	3.0	3.5	
Asset Trust	Monday	1.0	—	
Associated British Ports Holdings	*Thursday*	2.0	4.0	
Barker and Dobson Group	Monday	—	1.0	
Charles Baynes	Friday	0.3	—	
BICC	Wednesday	3.5	8.3	
Blackwood Hodge	Monday	0.5	0.5	
Bodycote International	Tuesday	1.6	2.3	
Brawell, C. D.	Monday	1.3	3.1	
British Mohair Holdings	Thursday	1.2	0.2	
British Telecommunications	Wednesday	3.3	5.1	
British Vita	Wednesday	2.7	3.7	
BTR	Wednesday	3.5	4.7	
Burmah Oil	Thursday	4.5	9.5	
Camperi International	Thursday	0.5	2.5	
Cookson Group	Thursday	2.7	6.0	
Costain Group	*Tuesday*	3.5	5.2	
Delaney Group	Monday	0.9	1.6	
Delta Group	Friday	2.8	5.0	
Ensse Lighting	Tuesday	3.8	2.3	
Expamet International	*Tuesday*	2.7	4.0	
Friendly Hotels	Monday	0.5	0.7	
Goal Petroleum	Tuesday	1.0	1.0	
Hestair	Tuesday	1.7	2.8	
IMI	Tuesday	2.5	3.8	
Invergordon Distillers	Monday	1.5	3.7	
Laing, John	Thursday	1.7	4.0	
Linread	Monday	1.0	2.0	
Lopex Communications	Tuesday	1.8	2.4	
Mersey Docks and Harbour	Monday	—	—	
Mora O'Farrell	Monday	1.3	2.9	
Moss Bros.	Wednesday	1.3	4.5	
Neill, James	Wednesday	2.5	4.8	
New Darien Oil	Wednesday	0.6	0.7	
Nurdin and Peacock	Wednesday	1.5	2.3	
P & E International	Thursday	1.0	2.0	
Persimmon	Monday	2.1	4.2	
Provident Financial	Tuesday	7.5	4.0	
Prudential Corporation	Wednesday	10.0	19.0	
Rowntree Mackintosh	Thursday	4.4	9.2	
Royal Dutch Petroleum†	Thursday	—	—	
Savoy Hotel	Tuesday	3.5	4.0	
Systems Reliability	Friday	1.7	3.2	
Taverner Rutledge	Thursday	—	1.0	
Technology Project Services	Tuesday	0.7	1.3	
Tozer Kemsley & Millbourn Holdings	Tuesday	—	0.5	
Turner and Newall	Wednesday	2.0	3.7	
Wilkes, James	Wednesday	3.0	5.0	
Wimpey, George	Wednesday	1.0	3.7	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † First dividend.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 27%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	3.70	3.76	2.79	2.02	monthly	1	—	0-7
High interest cheque	6.00	6.17	4.52	3.29	monthly	1	1,000-4,999	0
High interest cheque	6.30	6.49	4.75	3.45	monthly	1	5,000-9,999	0
High interest cheque	6.70	6.91	5.05	3.67	monthly	1	10,000-49,999	0
High interest cheque	7.00	7.23	5.27	3.84	monthly	1	50,000 minimum	0
BUILDING SOCIETY†								
Ordinary share	5.00	5.06	3.81	2.77	half yearly	1	1-250,000	0
High interest access	6.75	6.75	5.09	3.70	yearly	1	500 minimum	0
High interest access	7.00	7.00	5.27	3.84	yearly	1	2,000 minimum	0
High interest access	7.50	7.50	5.65	4.11	yearly	1	5,000 minimum	0
High interest access	7.75	7.75	5.84	4.25	yearly	1	10,000 minimum	0
90-day	7.75	7.90	5.95	4.33	half yearly	1	500-9,999	90
90-day	8.00	8.16	6.15	4.47	half yearly	1	10,000-24,999	90
90-day	8.25	8.42	6.34	4.61	half yearly	1	25,000 minimum	90
NATIONAL SAVINGS								
Investment account	10.00	7.30	5.50	4.00	yearly	2	5-100,000	30
Income bonds	10.50	8.04	6.06	4.41	monthly	2	2,000-100,000	90
Deposit bonds	10.50	7.67	5.78	4.20	yearly	2	100-100,000	90
33rd issue‡	7.00	7.00	7.00	7.00	not applicable	3	25-1,000‡	8
Yearly plan	7.00	7.00	7.00	7.00	not applicable	3	20-200/month	14
General extension	7.02	7.02	7.02	7.02	quarterly	3	—	8
MONEY MARKET ACCOUNTS								
Schroder Wagg	6.77	6.98	5.26	3.83	monthly	1	2,500 minimum	0
Provincial Trust	7.53	7.79	5.87	4.27	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
7.75pc Treasury 1985-88	9.34	7.28	5.90	4.75	half yearly	4	—	0
10pc Treasury 1990	10.31	7.60	5.79	4.28	half yearly	4	—	0
10.25pc Exchequer 1995	10.26	7.49	5.65	4.11	half yearly	4	—	0
3pc Transport 1978-88	7.34	6.51	5.96	5.50	half yearly	4	—	0
2.5pc Exchequer 1990	7.56	6.82	6.33	5.92	half yearly	4	—	0
Index-linked 1990¶	7.33	6.78	6.41	6.10	half yearly	2/4	—	0

* Lloyds Bank. † Halifax 90-day; immediate access for balances over £5,000. ‡ Special facility for extra £5,000. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated				
Appledore (A.&P.)	428	408	232	15.11	Highlnd Partics
Babcock Intnl¶	310*	283	265½††	414.67	FKI Electricals
Barham Group	266§	251	212	76.08	Intl Bus Comms
Bipel¶	84†	85	70	16.80	CI Group
Buckleys Brewery	185*§	183	175	27.55	Brodien
Cheshire Whlfds	280*	271	255	14.22	Wessanen
Country & New T	197*§	190	190	39.42	Pennant
CPU Computers	92*.	92	89½	14.92	Scoa
Deritend Stmpng	510§	635	443	26.90	Carclo Eng
Deritend Stmpng	727	635	545	38.34	Christy Hunt
Equity & Law	365*§	387	350	365.46	Brierley Invs
Guinness Peat	110*	111	111	342.78	Equiticorp
Holden Hydromn	279§	290	215	10.80	BBA
Holt Lloyd¶	171	167	158	77.31	Morgan Crucible
Hunslet	625	640	485	75.00	Telfos
Jarvis (J.)¶	750*§	790	775	7.60	Brookville Secs
Kent (John)	120	116	105	14.40	Redevco
Kleen-E-Ze	600*§	625	635††	16.32	Rightnovel
Laidlaw¶	288†	280	214	24.59	Goode Durrant
Lewmar	140	141	140	33.37	Priest (Benjamin)
Marina Dev¶	125*§	525	132	9.32	Clintholme
Mercantile Hse¶	600§	542	488	566.80	Brit & Comwlth
Miss Sam	187¼	185	192	30.00	Blacks Leisure
Mitchell Cotts	84½	85	71	81.60	Suter
Octopus¶	501	460	430††	535.00	Reed Intl
Plastic Constructs¶	137	138	126	7.71	Glynwed Intl
Pres Entertainm't	284§	279	241	61.31	Pleasurama
Realbrook¶	281§	280	234	21.07	Yule Catto
Riley Leisure¶	104§	104½	75	16.49	Midsumr Leisure
Ryman Group¶	192.95†	193	194	18.21	Pentos
Sims Catering	165*§	448	145	6.15	Mr R. Randell
Stewart Wrightsn	570§	568	500††	251.71	Willis Faber
Steckley¶	139	150	124	230.51	Mountleigh
Stone Intnl	112	103	154½	38.77	FKI Electricals
Stothert & Pitt	221	210	117	21.00	Hollis
Tech for Business	180	178	149	7.31	Comb Lease Fin
Wordplex¶	195	155	139	19.85	Norsk Data

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on 2.30 pm prices 4/9/87. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ‖ Loan stock. ‡‡ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Automagic Hldgs	May	799	(707)	9.1	(8.2)	6.5	(6.0)
Orchid Tech	June	3,940	(1,075)	—	(—)	—	(—)
Osprey Comm	May	450	(129)	4.8	(1.6)	5.0	(—)
Personal Computrs	May	1,170	(710)	14.9	(9.8)	3.6	(—)
Property Trust	Mar	906L	(5,040)L	—	(—)	—	(—)
Raglan Prop Trust	Mar	679	(464)	0.3	(0.3)	0.1	(0.1)
SelecTV	Mar	240L	(262)L	—	(—)	—	(—)
Sheldon Jones	May	753	(—)	9.9	(9.7)	4.6	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied Arab Bank	June	2,880	(2,950)	—	(—)
Ayrshire Met Prds	June	257	(299)	0.5	(—)
Bardsey	June	332	(129)L	—	(—)
BAT Industries	June	699	(517)	6.5	(5.3)
W. Bedford	June	523	(375)	1.6	(1.5)
BPCC	June	70,500	(27,500)	6.0	6.0
Brammer	June	5,360	(6,133)	4.5	(4.5)
Bredero Props	June	1,190	(979)	1.7	(1.5)
Bunzl	June	42,200	(27,100)	2.1	(1.7)
Cadb'y Schweppes	June	63,600	(43,100)	2.1	(1.8)
William Collins	June	7,230	(5,110)	3.2	(2.6)
CRH	June	12,760	(9,630)	1.4	(1.3)
James Dickie & Co	April	238L	(42)	—	(—)
Edinburgh Fin Tst	June	312	(66)	0.1	(0.1)
Edinburgh Oil	June	76L	(118)L	—	(—)
Eucalyptus P. M'ls	June	5,300	(2,000)	2.0	(0.6)
Euro Home Prods	June	2,400	(1,000)	2.0	(—)
Executex	June	309	(196)	1.5	(1.2)
Federated Housg	June	1,710	(850)	1.7	(1.3)
Jas Fisher & Sons	June	1,420	(1,130)	1.7	(1.7)
Frost Group	June	1,010	(899)	3.0	(2.5)
Glentree	June	89	(23)	—	(—)
Godwin Warren	June	183	(452)L	1.1	(1.1)
Great Southern	June	1,330	(985)	2.0	(—)
Guardian Ryl Ex	June	82,200	(56,000)	15.0	(10.6)
Halls Hms & Gdns	June	1,060	(745)	1.2	(—)
Hartons Group	June	2,040	(803)	0.6	(0.5)
Hillsdown Hldgs	June	41,600	(19,600)	1.5	(1.2)
IBC	June	1,940	(804)	1.0	(0.7)
Ipeco	June	1,000	(1,600)	1.0	(1.0)
Lambert Howarth	June	680	(530)	2.5	(2.0)
Macdonald Martin	June	347	(602)	4.0†	(4.0)
Macfarlane Group	June	2,320	(1,910)	1.2	(1.1)
Metal Closures	July	3,100	(2,030)	2.2	(1.6)
Morgan Grenfell	June	47,048	(51,191)	3.8	(3.5)
Newage	June	1,180	(786)	1.0	(—)
Peek Holdings	June	869	(29)	—	(—)
Pentos	June	1,380	(469)	0.3	(0.2)
Pickwick Group	June	592	(306)	0.8	(—)
Portals	June	8,183	(10,447)	2.9	(2.7)
Powerline Int'l	June	801	(649)	1.0	(1.0)
Ptarmigan Hldg	June	93L	(75)	—	(—)
H. & J. Quick	June	1,550	(506)	1.7	(0.7)
Rae Brothers	June	1,090	(1,170)	0.6	(0.4)
Robinson Bros	June	361	(322)	—	(—)
Ropner	June	2,550	(2,770)	3.0	(2.5)
Ryan Int'l	June	4,060	(3,620)	—	(—)
Sharpe & Fisher	June	1,860	(1,320)	1.0	(0.7)
Slough Estates	June	28,000	(24,200)	2.6	(2.5)
Stat-Plus	June	1,750	(1,150)	0.8	(0.7)
Sun Alliance	June	104,400	(43,000)	10.0	(7.5)
Systems Designers	June	3,180	(3,330)	0.2	(0.2)
Taylor Woodrow	June	21,180	(20,055)	2.5	(2.2)
Tempitn, Albraith	June	7,600	(5,320)	—	(—)
VG Instruments	June	8,560	(7,530)	1.3	(1.2)
Wates City of Ldn	June	4,340	(3,880)	0.8	(0.8)
Wayne Kerr	June	261	(244)	0.6	(0.6)
Wickes	Aug	4,200	(2,790)	0.2	(—)
William Holdings	June	18,100	(8,500)	8.0	(5.0)
Wilson (Connolly)	June	13,690	(10,250)	1.0	(0.8)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. † On A shares, 2.0 on B shares. L Loss.

RIGHTS ISSUES

Biomechanics International is to raise £400,000 by way of a one-for-one basis rights issue. 8.35m shares are being issued at 5p each.

William Collins is to raise £113m via a one-for-two rights issue. 5.15m new ordinary (voting) shares at 761p and 12.1m new ordinary (non-voting) shares at 637p are to be issued.

Philip Harris is to raise £1.6m in a one-for-five rights issue. Up to 1.2m new ordinary shares are to be issued at 138p each.

Property Trust is raising £4m in a one-for-three rights issue of 160m new ordinary shares at 2½p each.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Angle Leasing is to come to the Stock Market through a flotation of 8.2m shares priced at 175p each.

Dragon Trust is to come to the market through a placing of 120m shares at 10p each with warrants attached raising £11.65m.

• MARKETS •

Rally peters out

AFTER THE past two weeks' invigorating shakeout, the US stock market is poised for big advances towards still higher records. That, give or take some differences on magnitude and timing, was the overwhelming view on Wall Street first thing on Friday morning—even before the Federal Reserve Board made its long-awaited move to seize the initiative from the currency speculators and raised its discount rate from 5½ to 6 per cent.

Within minutes of the Fed's action, the bond market and dollar seemed to recover their composure. Those equity investors who had resisted the temptation of panic-selling during the tribulations of the past two weeks prepared to reward themselves with a nice rally.

Then, a strange thing happened. Almost before the early-morning rally started, it ran out of steam. Half an hour after the Fed's move, the dollar had given up most of its initial gains against the yen and Deutschemark.

The long-term bond market, which was expected to take greatest encouragement from the anti-inflationary pluck of Alan Greenspan, the new Fed chairman, quickly fell back into negative territory. The stock market followed suit. From the initial rise of more than 14 points just after the discount rate action, the Dow Jones Industrial Average fell back to show a loss of 10 points against its overnight close after the first hour of trading.

Now, obviously an hour's gyration in the averages is fundamentally of little consequence to anybody except the futures speculator or professional trader. The disappointing initial reaction to the discount rate news would certainly not be a reason for market strategists on Wall

Wall Street

Street to reassess their almost uniformly bullish forecasts that equities will hit new records by the end of the year. But, this time, there was something suggestive about the market's short-term reactions.

Ever since it toppled from its peak of 2,722.49 on the Dow on August 25, the market has been having inordinate difficulty in gathering any upward momentum. Each day, the pundits have predicted that the market was due for a profitable rebound. The upward correction has duly started and has then been hit on the head by a wave of selling.

Often, this has been "programme selling" by computers, not by actual humans, but it has been selling nonetheless—and for six days out of the seven since the market hit its peak, the sellers have outweighed the buyers.

The equity market has not experienced a sticky patch like this since early April, when the Dow fell by 5.5 per cent in two weeks from a top of 2,405.54. On that occasion it took another month, plus a further fall of 2 per cent, to steady the market, which then resumed its straight-line ascent from May 21 to August 25.

The main conclusion that most investors and analysts seem to be drawing from the present period of weakness on Wall Street is that history is about to repeat itself, more or less literally. As the correction proceeds, investors are rediscovering a modicum of scepticism and fear. Euphoria and excessive greed are being shaken out of the markets.

The upshot is that with each day's mild decline, the analysts can lick their lips at the potential profits that are being built in for the bull market's next upward leg.

The attitude is typified by coments yesterday from Joseph Feshbach, the widely-respected head of technical analysis at Prudential Bache: "We've had about a 5 per cent correction from the market's all-time high and there's more misery, fear and disgust. I'm not worried we're going to see any major declines from here. The most risk we have on the downside is 2,500 and that would represent a great buying opportunity."

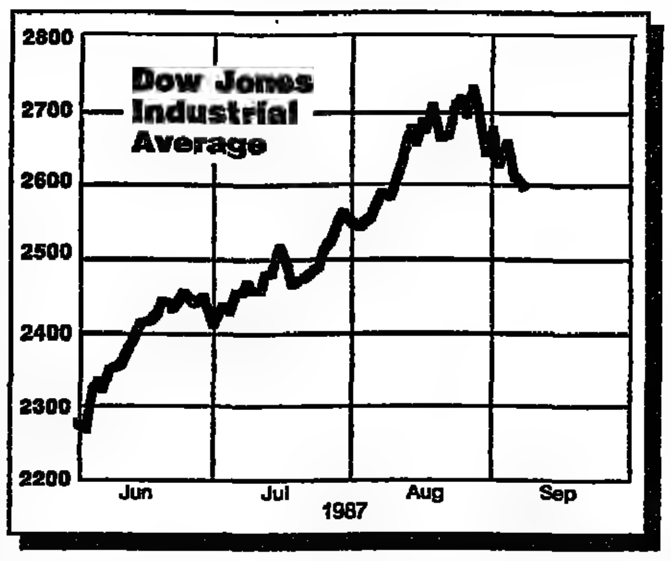
Of course, some analysts believe that a bigger correction is possible, considering the loftier level to which the market has soared since the spring.

Indeed, Robert Prechter, the Elliott Wave theorist who has made some of the most celebrated calls of market turning points since 1982 and is now perhaps the influential technical pundit on Wall Street, said earlier this week that a drop below 2,600 on the Dow could raise the possibility of a slide all the way to 2,300.

But what is more indicative of the underlying mood of confidence on Wall Street is Prechter's longer-term projection. Even if the Dow were to fall to 2,300, which Prechter says he doubts, he insists that this "is not the start of a bear market." And he adds: "Whether this correction lasts a week or a month, it will be a buying opportunity for long-term investors."

MONDAY	2,662.95	+23.60
TUESDAY	2,610.97	−51.98
WEDNESDAY	2,602.04	− 8.93
THURSDAY	2,599.49	− 2.55

Anatole Kaletsky



Nothing but blue skies . . .

THE STOCKHOLM stock market looks set to continue its upward trend, analysts believe, largely because the institutions are so flush with money that they have little choice but to channel it straight into the market.

In fact, when asked to mention any possible black clouds that might be looming on the horizon, the analysts simply scratch their heads—what they see is the prospect of more money entering the market at a time when no new issues are expected to mop up the surplus cash and when the economic picture is generally sound.

True, Svenska Handelsbanken, Sweden's second largest commercial bank, this week came out with dire warnings about inflationary spirals and the need for the government to take a tough stance over the next wage round.

"Over-pessimistic," retorted the brokers. If the government does stand firm in the next two-year wage agreement, it could promise plenty of friction in the labour market. Nevertheless, analysts see no reason why the market should do anything else but continue upwards in the long term. The Veckans Affaerer total index closed at 1141.6 on Thursday, up 26.6 per cent since the beginning of the year and has been staging a series of highs throughout the summer.

Most of the money is coming from the institutional players who have found that demand is much greater than supply. In particular, there are the wage-earner funds and "allemansfonderna" (small savers' funds), neither of which have even placed all the money at their disposal into the market. Analysts believe that these funds have the potential to place up to SKr 6bn in the market.

The wage-earner funds, which are detested by Swedish capitalists because they allow the unions to use corporate profits to increase their influence over companies, collect money three times a year. So far, they have not collected the full amount they are entitled to, which gives analysts hope that the index will move still higher.

The "allemanfonderna" are tax-advantaged savings funds for the man in the street and are managed by the banks. They have proved very popular with small savers who were allowed to place an extra SKr 5,000 (instead of the usual SKr 800 a month) in the funds at the end of June, bringing a flood of money to the market (estimated at between SKr 1.5bn-SKr 2bn so far this year).

The special concession was intended to help curb private consumption and encourage the Swedes to save, save, save. Analysts are now speculating whether the government will try the tactic once again this autumn as worries about inflation intensify—it is forecast to reach 5-6 per cent (December to December).

For the small investor, the "allemansfonderna" provides an easy route into the stock market, though brokers say that the private investors' interest in buying and selling stocks during the summer months has generally been high.

During August, the market showed a good surge in the first three weeks, then fell back over worries about international interest rates. Turnover during this week has been about SKr 400m daily. Most of the minor setbacks have come from uninspiring interim results—for example, Ericsson showed a setback in its half-year figures and was a big disappointment to those who thought the telecommunications and electronics group had sorted out its financial difficulties.

Volvo, however, got a favourable response from the market when it showed that its figures had picked up in the second quarter. Investors are still cautious about Volvo's exposure in the States and to what extent it can hedge the dollar.

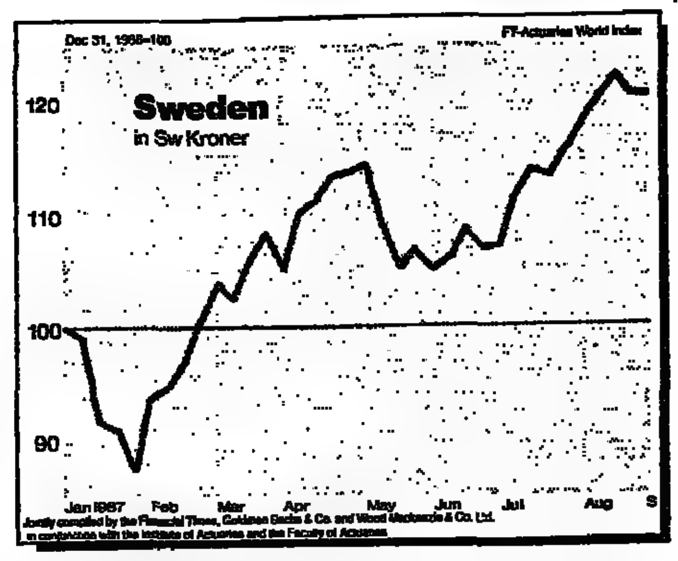
The market received a strong

Sweden

fillip from the announcement that Asea, the electrical engineering group, would merge with its Swiss rival, Brown Boveri. In fact the engineering sector as a whole looks good and the sector index rose by 7.9 per cent in August.

The banks have also won praise lately—earlier in the year, no one thought they would be able to match the high standards set in 1986, a year when the banks reported record profits as the rewards of earlier deregulatory measures. However, analysts now believe that the drop in yearly profits will not be as great as originally expected.

Sara Webb



Opec shapes up to critical test

"THE GULF is engulfing us all," said one leading technocrat of the Organisation of Petroleum Exporting Countries, ruefully, when asked to comment on the emergency meetings in Vienna next week of two ministerial committees called to review the surge in members' oil production and the erosion of prices since mid-August.

He was reflecting a general scepticism as to whether the two groups—or, for that matter, the producers' association as a whole if a full emergency conference were to be called—could do anything at this critical juncture in the Iraq-Iran war to assert a measure of control over the market. Events in the Gulf have taken on a frenzied momentum of their own and, for the time being at least, are dictating the level of output.

For the oil industry and investors in the sector, the big question now is whether it will be regulated by the law of supply and demand. Continued and strict adherence to the official selling prices in force since February, and generally observed since then, should restore a basic equilibrium.

The danger is that, in the midst of a general breakdown of discipline, members might start scrambling to maintain or increase what they regard as their share of the market—which is already looking saturated—by offering discounts off the selling rates set around a central reference of $18 a barrel.

By November, and perhaps earlier, Opec will almost certainly face a critical test similar to the one surmounted successfully earlier this year after it had returned to a system of fixed prices in February. This followed the agonising experience of 1986 when, in the first half of the year at least, primacy was given to recovery of market share. As a result, members' collective revenue fell by more than 40 per cent—from $133bn in 1985 to $75bn in 1986, according to the calculations of the Royal Dutch/Shell group.

In the spring, with the market still awash with surplus oil and inventories swollen by the unrestrained production of the previous year, buyers held back

Resources

waiting to see if Opec members' resolve, and the new system of fixed prices, would crack. Demand for their crude dropped to little more than 15m barrels a day in March compared with the somewhat national ceiling of 15.8m b/d set for the first half of 1987.

Despite the squeeze members (with a couple of marginal exceptions) stuck to the new rates. By mid-year and with Brent, the key North Sea crude, at nearly $19, prices were above official selling rates on the spot market.

The new ceiling on output of 16.6m b/d set for the second half meant, in effect, an understanding on a limit of rather more than 18m b/d after taking into account Iraq's non-compliance with the quota allocated; the prospect of it enjoying another 500,000 b/d pipeline capacity for exports; and the other inevitable, now almost institutionalised, "slippages."

Estimates of Opec output last month vary widely, with one major oil company putting the rate at 19.2m b/d and another at more than 19.6m. The International Energy Agency now puts it at 19.7m and expects production to exceed consumption in the third quarter by as much as 2.5m b/d.

Nearly all the excess has come from the six Gulf members. Iran, Kuwait and Qatar have, for the time being, become as serious quota violators as the UAE. Even Saudi Arabia is exceeding its agreed entitlement.

Recalcitrant Iraq apart, the total rupture of the implicitly agreed limit has been a reaction to the increasingly explosive tension in the Gulf rather than a breakdown of discipline as such. The Gulf producers clearly have been anxious to shift as much oil as fast as possible because of apprehensions about a complete cut-off of exports.

For the same reason, buyers have been anxious to ensure adequate stocks with the approach of winter. The greater part of the surplus supply, meanwhile, is still at sea or in floating storage.

Logically, there should now be a drastic fall in liftings of Gulf oil. However, with Iran in angry confrontation with Saudi Arabia as well as Kuwait following the bloody events in Mecca, the future of the Opec pact on production and prices looks very much in doubt.

Its durability depended very much on a lowest common denominator of understanding between Saudi Arabia and Iran. Until (and unless) developments in the Gulf, and some move towards ending the conflict, make a reconciliation possible, Opec probably will be hopelessly adrift.

Meanwhile, the meeting of the two comittees set up to oversee price and production discipline—with Saudi Arabia present but Iran, Kuwait and the UAE not represented—could prove a waste of time. And it is anyone's guess what the oil price will be at the end of the year.

Richard Johns

· FINANCE & THE FAMILY ·

With three weeks left, only two remain in it

Pru keeps head in front

WITH JUST three weeks to go before the end, the Great Investment Race is more competitive than ever. The leading teams, Prudential Portfolio Managers and Fidelity, are battling to be first past the post.

"The name of the game in any race is to win," says Trevor Pullen of the Pru. "Of course we want to win, but Fidelity does, too."

In the past few weeks, both teams have boosted their portfolios with a series of audaciously speculative investments. The Pru risked £167,500 by buying shares in Unilever, but made £6,250 by selling the same day. Fidelity chanced £83,901 on Deutsche Bank and pocketed a *profit of £14,358 five days later.*

The Great Investment Race has now been running for almost a year. The six teams began late last September, each with a portfolio worth £35,000 *provided* by Prudential Unit Trust Managers, the sponsor of the race.

Collectively, they have built them up into investments worth £924,432 *so that* Charity Projects, the organiser, has a theoretical profit of more than £700,000 to donate to selected causes when the portfolios are liquidated.

If the teams make the most of the final weeks, Charity Projects could have much more to distribute. But if they make mistakes — and given the uncertain state of the world's stock markets, this cannot be discounted — they could lose the money made so far.

While the Pru and Fidelity *engage in opportunistic investment,* other teams have prefered to bide their time and wait *for* appropriate moments to liquidate their portfolios.

The value of Bell Lawrie's investments has remained static at £47,604. Nomura's *portfolio* has been boosted to £65,391 by the progress of its sole stock, Nippon Business Consultants, and the strength of the yen.

Messel also has chosen a passive approach in the past three weeks. It has sold its shares in BAA, the *latest privatisation* issue, but the value of its holdings has waxed and waned with the stock market to £80,102.

Even Hoare Govett, which has dabbled in some daring investments, has slowed down. It still holds a substantial £183,677 portfolio of UK equities—and one opportunistic Australian investment in Walhalla Mining —which it must liquidate before the end of the race.

At the halfway stage Fidelity advocated caution, saying it preferred to retain its winnings rather than risk them in the volatile world markets. Yet, with the finish nearing, it has been unable to withstand the temptation of trying to regain its lost leadership from the Pru.

In the past three weeks, Fidelity has sold its BAA holding and staged a more spectacular coup by buying 1,000 shares in Jax Co, a Japanese stock, for £4,884 and selling them the following day for £11,228.

Fidelity scored a similar success *by profiting from* the demise of Sir Phil Harris, the entrepreneurial retailer who fell from grace last month. By buying and selling its holding in Harris Queensway within five days, it pocketed £1,400. The Deutsche Bank investment provided a further profit of £14,358.

Yet, Fidelity has also been busy buying as well as wheeling and dealing. It has acquired holdings in Osaka Building, Ginza Yamagataya and Sony in Japan, and in Goldstar in the US. A fortnight ago, its portfolio peaked at £265,713. It has *since declined to £234,730 but* that is still 15 per cent higher *than three weeks ago.*

Fidelity might be hard on its heels but the Pru is still well in the lead with investments now worth £312,928. The Unilever deal might have been its most audacious in the past three weeks but the Pru's team also made £4,180 by dabbling in Hitachi Cable convertible bonds for a day.

The team also has sold off long-held stocks such as Attwoods, Lee International and Dai Nippon. Similarly, it bought 50,000 shares in STC for £140,000 and sold them the same day for £142,000.

From now on, the priority will be to choose the most suitable moment to sell the remaining stocks. But, as Trevor Pullen puts it "If an opportunity to make money presents itself, we will jump at it."

Trust takes small view

THE PRU *thinks it has found* a gap in the unit trust market which it plans to exploit with the *Holborn International* Small Companies Trust being launched this weekend.

The group's UK small companies trust introduced in September last year, has done well rising by 67.6 per cent, some 10 per cent above the increase *in the* FT All-Share Index during the same period. But the Pru thinks it can use its *special expertise* in investing in small companies to just as good effect on an international basis while at the same time spreading the risk over a wider range of markets.

In fact the bulk of the International Small Companies fund's portfolio (some 50 to 55 per cent of the total) will be invested in the US. Trevor Pullen, the Pru's investment chief, believes the American entrepreneurial spirit tends to help small companies in particular. In other areas, he notes, like Japan and Europe, fledgling companies tend to be financed by banks rather than relying *on capital from* the equity markets.

Pullen says the move into international markets does not *reflect* any immediate concern about the UK market prospects —indeed the initial portfolio *will have 15-20 per* cent in British small companies. The aim behind the launch is to *broaden the existing range of* 10 Holborn unit trusts still further and make the most of the apparent ability of smaller companies to perform better than their larger brethren.

The Pru claims that two years after its entry into the *unit trust market, it has moved* into the top 10 largest management groups with assets in its trust rising to £1.25bn. This puts it just above Hill Samuel, Abbey Life and N. M. Schroder.

Last year sales of Holborn unit trusts jumped by £311m. *It now has around* 175,000 unit holders—many of whom are first-time buyers of unit trusts —with an average investment of £2,300 each.

The minimum sales objective for the new International Smaller Companies Trust is £50m but the Pru has made special arrangements to cope with an expected flood of applications *that might* well reach £100m.

To try to avoid the paperwork delays that have marred several launches of this size, the group has drafted in 70 more staff who will be running a dealing service available seven days a week from 8am to 8pm during the opening offer *period which ends at 6pm on* September 25. It is hoped that this extra administrative backup will allow contract notes to be issued within 24 hours of the order being placed and certificates to be despatched within four to six weeks. Extra lines have been added to the Holborn linkline (0800-010345) which allows immediate *unit trust purchases without* paperwork.

During the offer period there will be a fixed price of 50p per unit, with the Pru's normal minimum investment *of* £1,000. Initial (front load) charge is 5 per cent and there is an *annual management fee of 1* per cent.

The new fund will be sold by the group's direct sales force, but the Pru says it is *now selling a larger proportion* of its unit trusts through intermediaries or by off-the-page advertising, as investors become more sophisticated.

John Edwards

Royal's £300m target

THE LIFE insurance companies have made a considerable impact in the unit trust market using their financial muscle to challenge the traditional management groups. However, the campaign planned to launch a new range of unit trusts by Royal Life, with an expenditure of nearly £6m and a sales target of £300m is staggering by any standards.

Royal Life Fund Management, a company formed to merge the unit trusts previously run by Royal Insurance and Lloyds Life, has decided to go flat out for the potential new investors, setting a minimum investment of only £250 *in their new funds* and backing it with a huge TV and Press advertising campaign.

So this week TV viewers found themselves being bombarded with details of three new unit trusts from Royal Life mixed in with the pet food and cosmetics advertisements.

This will not just be a passing event. According to Peter Baines, general manager of RLFM, the TV advertisement will be seen 286 million times—presumably *not by the same* viewer.

TV is not the only advertising medium being used in the £5.9m campaign. The national Press, commercial radio and even poster sites are being used to promote the new trusts. Travellers on British Rail will now be able to pass the time waiting for their delayed trains by studying the posters at their stations.

The unit trust industry already relies very heavily on the Press for both promoting and selling their funds. Even so, Peter Baines thinks that management groups have not been presenting their wares in the way he is doing with his new funds.

Readers will be able to judge the effectiveness of this approach for themselves. But the whole approach to the marketing is refreshingly different. Royal Life Fund Managers, with consultants Moorgate Group, have adopted the style of a company share flotation to promote these new trusts. The prime aim is to reach a far wider investor market than the usual one for unit trusts. The trust brochures are being presented in the form of a company prospectus.

Away from the advertising razzmatazz, the investor new to *unit trusts can quietly discover* for himself what unit trusts really are and how they work, details of the new trusts and their investment strategies, the nature of the risks and rewards and other relevant detail. No investor will possibly be able to claim subsequently that they were not given sufficient information on the trusts being offered.

It comes as something of an anti-climax to discover that the trusts being promoted in this flamboyant way are somewhat mundane, despite their packaging. The three *funds* are:

- An International Cautionary Fund investing in fixed interest and blue chip equities to outperform building society returns;
- An International Growth Fund to outperform the FT-Actuaries World Index—the first time this comparatively new measure has been used by a UK investment institution as a performance target; and
- An International Speculative *Fund—with no pre-set investment* target; its aim is simply to get the highest return possible.

Often when a lot of money is spent promoting a product, the product itself tends to be inferior and overpriced.

All Royal needs now is an investment performance to match its promotional drive demonstrating that its product is not *inferior*. To date its overall performance has been *little above average.*

On the pricing aspect, the charges are 5.25 per cent initial and 1 per cent annual—in line with the market. The minimum investment is £250, with a 1 per cent discount for investment of £500 or more.

So the campaign, called the Royal Life Fund Managers Event of 1987, will really have to do well to recoup its outlay.

Indeed it will have to penetrate deeply into the conservative building society-orientated investor sector to achieve the sales target of £300m in September.

The whole industry will be watching closely to see if Royal can break new ground in marketing unit trusts to the masses.

Eric Short

Launch date set

THE OFFICIAL launch date for Britain's planned new gold bullion coin, the Britannia, has been fixed for October 13 and it will be available to the public *the next day.*

Nigel Lawson, Chancellor of the Exchequer, announced in March the plan by the Royal Mint to enter the international gold bullion coin market, which has become highly competitive, since the restrictions imposed on imports of South African Krugerrands. However, the other competitors, such as Australia, Canada and the US, are using domestic mine production for their coins while Britain will have to rely on supplies bought on the world gold market.

The 22-carat gold Britannia will be minted in four sizes — 1 ounce, ½ ounce, ¼ ounce and one-tenth ounce. It will feature a portrait of the Queen by Raphael Maklouf on one side and a specially commissioned design of Britannia on the other.

To qualify as legal tender the coins have a theoretical face value — £100 in the case of the one-ounce coins — but the actual price will be based *on the gold bullion price* on the day of purchase plus a premium to cover the cost of manufacture and distribution.

Primary distributors have already been appointed in the UK and five international markets—Germany, *Hong Kong, Japan,* Switzerland and the US. Details of retail distribution outlets will be announced later.

J.E.

Extra interest

BANK OF Scotland is introducing some improvements to its Home and Office Banking Service (HOBS).

Two new, higher-interest rate bands are being added. Interest on deposits over £100,000 is now set at only 0.5 per cent below base rate, and at 0.75 per cent below for balances between £50,000 and £100,000.

The lower tiers are unchanged, with 3 per cent below base being paid on deposits of less than £1,000.

The bank also is bringing in faster processing arrangements, allowing *information to be* available on screen between 8 pm and midnight. Previously, *you had to wait* until 8 am the following day. This change means home-based customers can use the service at the cheapest time, with no Prestel charges between 6 pm and 8 am and reduced telephone costs.

Rate cut stays

ALLIED DUNBAR is retaining the 0.75 per cent cut in its home loan rates, applying from September 1, for one month but it will put them back to the previous level in October because of the recent bank rate rise, which has forced mortgage lenders to cancel previous cuts.

So, for one month, loans of over £75,000 will be available at an interest *rate of 10 per* cent, rising to 10.50 for mortgages between £30,000 and £39,999. Straight repayment mortgages have an interest rate 0.25 per cent higher.

Meanwhile CIBC, which cut its home loan rate by 0.85 recently, has raised it back to the old level of 11.1 per cent.

Weekend Business

Business for Sale

Hotels and Licensed Premises

Businesses Wanted

Educational

Trusts are put to the test

INVESTMENT TRUSTS AND UNIT TRUSTS COMPARED

Investment trusts
Figures to July 31 1987, mid to mid, income reinvested.
Average performance by category.

	1 yr	3 yrs	5 yrs
Capital & Income Growth:			
UK	77.1	219.9	423.9
Income Growth	55.4	170.9	377.2
Capital Growth:			
International	43.5	149.5	323.7
North America	27.7	75.8	199.8
Far East	50.8	158.7	388.1
Japan	16.8	117.6	408.2
Commodity & Energy	96.6	85.4	144.1

Unit trusts
Figures to July 31 1987, mid to mid, income reinvested.
Average performance by sector.

	1 yr	3 yrs	5 yrs
UK General	52.0	167.2	309.6
UK Equity Income	57.2	184.0	363.2
International Growth	32.8	111.8	251.6
North American Growth	12.6	56.2	165.8
Far East Growth	46.7	140.1	280.3
Japan Growth	10.8	146.3	411.8
Commodity & Energy	113.5	90.0	177.6

Source: Association of Investment Trust Companies/OPAL.

THE INVESTMENT trust industry has always made the blanket claim that its products perform better than unit trusts. Comparisons are usually based on the average performance figure for the whole investment trust sector against the Unitholder Index, a measure of unit trust performance which has been calculated by *Money Management* for some years but is not used widely in the unit trust industry itself.

Part of the problem of comparison is that the two industries are very different. There are more than 1,000 unit trusts, divided into six UK and 11 international sectors. Investment trusts shown in the Association of Investment Trusts' monthly figures number fewer than 150, spread over 13 categories.

On the whole, the investment trust industry has gone more for general than specialised funds. The unit trust industry has a well-developed range of funds, some of them very specialised. Investment trusts also have more of a name for balanced objectives—that is, for providing income growth as well as capital growth.

There are signs that investment trusts are going more the way of unit trusts in both these respects. An investment trust linked to the Spanish market was launched recently, and the number of trusts designed to produce capital growth with a negligible yield is also growing.

Investment trust figures are quoted mid-market to mid-market, whereas those for unit trusts are usually shown on an offer-to-bid basis. This puts unit trusts at a slight disadvantage and means that the return shown for the investment trusts is a little higher than the investor would actually get.

To compare the two investments more closely, we have taken seven sectors or categories from each, showing the average sector performance in each case.

The main difference between them is that the investment trust categories are much smaller than the unit trust sectors. For instance, the one-year average for the Income Growth category is based on the performance of 10 investment trust companies, compared with 105 unit trusts in the UK Equity Income sector.

The comparison, as you can see from the table, comes down on the side of investment trusts, which perform better in 14 of the 21 results shown. The average unit trust has done better in the income category over the shorter terms, in Japan over the longer terms, and in the Commodity and Energy sector throughout.

This coincides with the results of a comparison made in January where top Japan unit trusts seemed to have outperformed the corresponding investment trusts.

It might be argued that, since the unit trust sectors are so much bigger, you should expect a wider range of performance; thus, top performers might have done better and worst performers worse than in the investment trust categories.

To test this theory, we took top and bottom performers for four of the major sectors. However, it is difficult to see a clear pattern emerging from this exercise. In the Capital and Income Growth: UK category, the average investment trust performance had beaten the average UK General unit trust over all periods, though the worst performing unit trust had in all cases outperformed the worst performing investment trust.

The investment trusts have also been much more successful than the unit trusts at investing in North America, and have been more successful at protecting investors during difficult markets. Worst performers returned 33.2 per cent, 53.7 per cent and 165.4 per cent over one, three and five years, compared with 5.5 per cent, 4.6 per cent and 76.9 per cent among the unit trusts.

It is hard to pinpoint any good reason for these big differences in performance.

Using the AITC sector average over one and five years and the OPAL unit trust average over the same periods, the comparison continues to favour investment trusts, with 53.0 per cent and 341.6 per cent growth, compared with the unit trusts' 41.95 per cent and 282.78 per cent.

Christine Stopp

Pensions

Getting the message on videos

COMING SOON at your local company training room: the War of the Pensions videos.

You guffawed at the predicament of comedian Lenny Henry in the video produced for the National Association of Pension Funds. But among the rival TV personalities lined up in competing videos are Roy Kinnear, Jeremy Beadle, Chris Searle, James Bolam, Richard Stilgoe, Peter Jones and Sir Michael Hordern.

A large percentage of the membership of Actors' Equity appears to have gained employment by courtesy of a variety of firms of actuaries, pension consultants and insurance companies.

At the last count, nine different videos had been produced to help put over the message about the threat posed to company pension schemes. Remember that next year will see the introduction of the right of scheme members to opt out of their companies' arrangements and set up their own private and personal pension plans.

Although the start date for personal pensions has slipped back by three months to July, employees will still be able to backdate them to April.

However, the impartiality of some of these videos is decidedly suspect. Most of them are sponsored by advisers to company pension schemes. They are presumably motivated by a desire to show that they are supporting their corporate clients.

Television is a powerful but expensive medium. Clearly, many big firms within the pensions industry feel that the price is worth paying to put over a very complex message. Alternatives such as brochures might simply generate yawns among the target audience, the 11m members of company pension schemes, few of whom have any financial expertise.

But can a 15-minute video deal with all the complicated issues fairly, while at the same time holding the attention of its audience?

Remember that the NAPF video ended with a desperate Henry being nailed into a coffin by a grinning undertaker, played by the same actor who in an earlier scene had doubled as a personal pensions salesman.

A similar loaded message is put across by several of the newer videos. For instance, in a spoof game show *The Decision's Yours* hosted by unctuous quizmaster Jeremy Beadle, it soon becomes apparent which contestant is going to be able to afford the top prize of a world cruise (at retirement, of course).

Naive Bill, the first contestant, chooses Serps, the State earnings-related pension scheme. Ambitious Roger prefers a personal plan, which he is confident will serve him better. But bright Kate opts to stay with her company scheme.

Given that this video is sponsored by pension consultant William M. Mercer Fraser, it is not altogether surprising that the game, played according to decidedly obscure rules, ends with the score Bill 18, Roger 20, Kate 27.

Others make a greater attempt at impartiality, although sometimes at the cost of clarity of message. For instance, an elaborate Video Arts production depicts James Bolam as an out-of-season Ebenezer Scrooge haunted by the ghost of Birthdays Yet To Come.

At least this video makes workmanlike attempts to explain that the decision about opting for a personal plan could depend upon factors like age and mobility. Standard Life Assurance had a hand in financing this one.

However, there is not a lot to be said in favour of the video produced for consulting actuary R. Watson. A pair of wacky private eyes at the Ace Dectective Agency set out to solve the mystery of the personal pensions choice. "Pass me the ice-pack," says one, but it doesn't help much.

So, watch out for these videos when they go on general release.

They have titles like *The Choice Is Yours* and *Pensions In 1988—Your Future*.

One particular trap into which videos are tending to fall is their assumption that companies pay contributions into their pension schemes on their employees' behalf.

Companies usually will refuse to pay anything towards a personal plan, it is suggested, but may contribute as much as twice an employee's payments into an occupational scheme. But the *fact is* that, at the moment, many companies are paying nothing into their schemes because they are enjoying so-called "contributions holidays"—which could last for several years in a large number of cases.

With the best will in the world, it is hard to avoid the risk that over-simplification will turn into misrepresentation. At the very least, the videos will need to be backed up by extensive documentation and expert explanations.

Barry Riley

Coming soon to your local company training room—a host of TV stars to help you reach a decision on retirement


James Bolam


Sir Michael Hordern


Chris Serle


Roy Kinnear

Action time for personal plans

LAST WEEK, the Government announced that the starting date for personal pensions had been postponed from the beginning of January to July 1 next year because of the revised timetable for the implementation of the financial services legislation.

What are the practical implications of this delay for employees who are, or will be, considering taking out personal pensions?

● **Employees not in a company pension scheme**

If the intention is solely to take the minimum appropriate pension so as to be able to contract-out of the State Earnings Related Pension Scheme, then the employee must wait until July 1. However, you can make all the necessary inquiries before that date and almost certainly salesmen will not postpone their promotion schemes.

More important, the contract can be back-dated to April 6, 1987, so that the full rebate contribution will be paid for the tax year 1987/88 including the 2 per cent incentive payment for that year.

Employees will have a choice of contracts, including those from the new providers—banks, building societies and unit trusts — as well as from life companies, the existing main suppliers.

If you intend to make additional contributions, with or without your employer's help, then you have two choices for investing extra contributions; either wait until July 1, when you will have the full choice of contracts, or, if you plan to take out a contract from a life company, you can take action now. The earlier the start, the greater the ultimate benefits.

Employees not in a company pension scheme are eligible for Retirement Annuity Contracts, referred to as Section 226 policies (named after the relevant section in the 1970 Income and Corporation Taxes Act). These contracts are not exclusive to the self-employed.

Such employees can invest the intended extra contributions in a 226 policy before the end of the current tax year 1987-1988, thereby receiving the benefit of an extra year's contribution. These contracts will now be available until June 30, 1988.

These policies have the same investment funds as the new-style pension—indeed the layman will find it very difficult to distinguish between the two contracts. But there are differences generally in the favour of 226 contracts.

In particular, a higher proportion of the benefits from a 226 contract can be taken as tax-free cash, compared with personal pensions.

Admittedly, you can take the benefits from a personal pension at 50, while you have to wait until 60 to enjoy the fruits of a 226 contract. But if you want to get your money earlier, you will be able to switch from a 226 contract into a personal pension. There is no switch the other way.

However, the benefits of a 226 contract need not be confined solely to those contributions for 1987-88 and 1988-89. If the contract is designed to take variable payments, either on an annual or single permium basis, then all future extra contributions can be put into a 226 contract.

Some life companies, such as Standard Life Assurance, do not have 226 contracts with this facility. So employees need to check on this point before investing.

Remember, too, that the £150,000 limit on the cash sum applies to each pension arrangement. Therefore ensure that the contract is written as a cluster of policies, so that the cash limit is £150,000 for each policy.

Employees not in a company scheme can take out the minimum personal pension on July 1, to contract-out of Serps, though this is not obligatory. Indeed, men over 50 could well be better off staying in Serps.

● **Employees in a company scheme**

Employees will be able to opt out of an existing company scheme, or decline to join, from April 6 1988.

But if you are leaving your company scheme in favour of a personal pension, you will still have to wait until July 1.

On the other hand, if you are in a contract-out scheme and you plan to take a personal pension, then you should leave the scheme on April 6 to qualify for the full year's rebate. It is more complex to backdate contracted-out than contracted-in.

The postponement of the starting date for personal pensions has opened a loophole in the conditions governing the payment of the incentive contribution.

Previously, an employee leaving a contracted-out company scheme to take a personal pension was not eligible for the incentive payment if he had at least two years' membership of the company scheme.

Now if you leave on April 6 you could be eligible for the incentive on July 1. The Department of Health and Social Security is looking into the position and one can expect loopholes to be closed in the regulations formalising the postponement.

If you intend paying extra contributions then you can use a 226 contract as described above, but starting from the tax year 1988/89.

The postponement has provided this option that previously would not have been available.

It needs to be emphasised that you should consider very carefully before coming out of a good company pension scheme.

The postponement of personal pensions means that employers can put their company scheme alternatives to personal pensions, such as Contracted-Out Money Purchase Schemes (Comps), in place by April 6, 1988—that is before personal pensions become available.

So employees will be in a better position to check on employers' arrangements before making their own.

● **The self-employed**

The postponement is good news for the self-employed. They can use 226 contracts for another six months before they disappear—an extension which takes them into another tax year. But it does mean making arrangements early instead of waiting until the end of the tax year as is customary.

The life companies intend to mount a major promotional campaign to publicise these concepts and push 226 contracts for all they are worth. The postponement means they have six more months before new competitors appear on the scene and they intend to make maximum use of this extra selling period.

Eric Short

Take care when you come home

RETIREMENT HERALDS a period of great change, particularly if you are an expatriate returning to Britain. You face the additional problem of re-integrating yourself after an absence which could have spanned many years.

This means a wholesale re-organisation of your finances; and while personal considerations will be paramount, taxation should never be far from your thoughts.

You will regain the status of resident (and, where it did not apply already, domicile as well). As a result, income previously exempt will become taxable. Interest on British Government securities, exempt while you were non-resident, will attract tax for all payments after your arrival.

Surprisingly, some British income is taxable retrospectively from the first day of the tax year in which residence status changes. This includes income from National Savings investment accounts and income and deposit bonds, as well as bank and building society deposits. If you have substantial investments of this kind, you would do well to transfer the funds concerned to offshore accounts in the tax year before your arrival.

Overseas income which continues beyond the date of arrival in the UK will attract tax. But income from a source disposed of before becoming resident will escape liability. Overseas deposit interest from an account closed immediately before arrival will avoid tax altogether.

Some receipts from overseas will be exempt from tax in any event. Examples include remuneration and terminal bonuses relating to services before the change of residence status, terminal leave pay (even if it extends beyond that date), provident fund maturities and (in most cases) pension commutation.

This last point is of the utmost importance and demands the close attention of all who belong to overseas pension schemes. Most modern arrangements incorporate the right to commute the pension wholly or in part for a lump sum.

In deciding what to do, you should remember that while only 90 per cent of any pension you draw will be subject to tax (those belonging to UK-based schemes wil be taxed on the whole pension); the commutation lump sum will be tax-exempt totally if a substantial part of your pensionable service has been overseas.

As a result, maximum commutation is the norm, although tax planning considerations often point to investment for a modest yield with a view to achieving the lower-taxed benefits of capital gains.

Naturally, resuming UK residence also ends the total exemption from British capital gains tax. But, in any case, you should not overlook the fact that this exemption extends only to gains realised while you are non-resident, not to those which merely are accrued.

That is why it is so important either to realise investments which have achieved substantial capital gains or, in the case of those you wish to retain, to "bed and breakfast" them before the change of status comes about. (Or, in the case of those whose non-residence does not extend beyond 36 months, in the previous tax year.)

This is crucial in the case of offshore funds which do not have distributing status, since any gains realised after UK residence is resumed are subject to income tax.

Remember, too, that non-working spouses with British places of abode might already be UK residents and, hence, liable to capital gains tax (subject, of course, to the £6,600 a year exemption) even before your move to Britain.

One tax which your return probably will not affect is inheritance tax, since UK domiciliaries are liable in full even when they live overseas.

Clearly, therefore, this is also the point at which your potential liability to this tax and the means by which you might mitigate it — whether by the provisions of your will or otherwise — should be considered.

● *Donald Elkin is a director of Wilfred T. Fry, of Worthing.*

Donald Elkin

A poll tax is nothing new

It caused riots in the 14th century and we've learned nothing since, says Gunter Kowa

THIS AUTUMN the parliamentary stage is set for a comedy called "Poll Tax." It could be panned by the critics as a fiasco. For it is a re-run: a *re-worked script*; a classic case of history repeating itself, with nothing learned since.

A poll tax—"hitherto unheard of," according to the chronicler Thomas Walsingham —was levied in *1377, 1379* and *1381. Both* Edward III and his successor, Richard II, had stepped up the wars with France with the royal coffers nearly empty and the troops were on the point of desertion. Parliament, then in its infancy, was asked to devise a tax that would bring in a lot of money fast.

The "poll" tax seemed the solution. Literally a "head" count *levy, every adult in the* realm had to pay it. It was unpopular, grudgingly conceded—and triggered, in 1381, the Peasants' Revolt, the only significant popular rebellion in England during the middle *ages. Led by Wat Tyler* and John Ball, rioting crowds from East Anglia and the Home Counties marched on London and actually occupied the Tower before initial success gave way before ruthless oppression.

The problem was *making* the poll tax socially acceptable. The first levy was set at the (very low) level of one groat (fourpence, then equivalent to about one and a *half* days' unskilled labour) for every male or *female over the age of 14.* The higher levels of the nobility, and the clergy, paid three groats. The only exception, as in both the subsequent applications of poll tax, was "genuine beggars"; a precedent for compassion which seems lost on present Government ministers.

The next poll tax, in 1379, was assessed on a social scale. Dukes, earls, judges and the Mayor of London were at the top of the paying league, along with "each archbishop, each bishop, abbot and prior." Then came *the lower nobility,* merchants, government and municipal officers, as well as the lower clergy (in a middling tax bracket, 12 pence to 40 shillings); and finally, at fourpence a head, all remaining adults *over 14.*

Obviously, collection of the *tax was cumbersome* and time-consuming. It was also fiscally unsatisfactory: revenue actually fell, from £21,600 in 1377 to £18,654 in 1379. What both efforts did *produce, though,* was a wealth of documentary information *about medieval English* society, with statistics which are now invaluable to the social historian. It was on these that the success of the 1381 poll tax was measured.

In November 1380 Parliament *convened in Northampton* and granted, with misgivings, a levy of £100,000—in those days regarded as a fantastic sum—to be raised by a general poll tax. The clergy, "who occupy a third part of the realm," obliged by paying a third. The rest of the tax burden fell once again on the whole adult population (this time over the age of 15). There was a social sop of sorts; each rural or municipal *community was allotted* a quota equivalent to one shilling per head, the rich helping out the poor by paying a proportionately greater sum. But this left the common folk at the mercy of the wealthy—and often enough, in any case, there were no wealthy people to help out. *Tax evasion was rife.*

Today's civil servants, engaged in the task of constructing a scheme for the collection (and enforcement) of our proposed poll tax, may find *some dubious inspiration in the* experience of their medieval predecessors. The administrative procedures of 1381 included sworn collectors and controllers appointed for every area to assess, levy and collect the tax. They were authorised to seek out the numbers, names, rank and estate of all persons liable to pay. In this task they were assisted by constables, mayors *and bailiffs—and in effect they* carried out a census.

First returns were disappointing. The central government of the realm suspected mass evasion and corruption. So commissions of inspectors were sent out, with power to arrest and imprison the disobedient. In effect they carried out another census.

It was indeed likely that they should do so, because the early returns had also suggested a catastrophic loss of population. Between 1377 and 1381 the population of Somerset, *for* example, is supposed to have fallen from 54,604 to 26,124; that of Suffolk from 58,610 to 31,734; and of London from 23,314 to 20,397 (on a recount).

Returns from the villages *show that the most common* evasion ploy was to "forget" dependent womenfolk: daughters, widows, sisters. Felsted, in Essex, reported 101 men and only 64 women. The control commissioners got tough. There were excesses like virginity tests enforced on some young girls to establish their marital status.

Public grievances came together in public riots, culminating in the march on London in June 1381. Historians have drawn sobering conclusions from these events. T. F. Tout declared: "The extreme incompetence of the administration was a widespread grievance which, if bearing most heavily on the poor, touched every rank of society . . . The fault was a mulish determination to enforce a thoroughly distasteful order in the face of public opposition."

An inspector's call

When completing my income ***tax return a month or two*** **ago I gave particulars of income received gross (January-April 1987) on government stock purchased through the post office in November 1986.**

My inspector of taxes is now asking me to estimate ***the interest I expect to receive*** **during the period 1987-88 from this stock.**

Would you kindly explain to me the reason for such a request?

So that he may make an assessment upon you for 1987-88, probably, and collect the tax on *New Year's Day (although the* tax collector's office will in fact be closed for the first three days of 1988). If any of the interest falls due between January 3 and *the end of the* tax year, you can ask for the appropriate amount of tax to be held over (subject to a possible interest charge for late payment) until *the respective due* date or dates, by virtue of an unpublished extrastatutory concession. This concession appears still to exist, although it has been omitted from the latest supplement to the 1985 booklet *of* concessions, IR1. If you *wish* to take advantage of this concession you should tell the inspector that you wish the 1988-89 assessment to be made on the current-year basis, in accordance with section *120(1)(c)* of the Income and Corporation Taxes Act 1970 (as re-enacted in the forthcoming Consolidation Bill). We could have given you a simpler and more helpful answer if you had given us more precise background data. Why not ask the inspector the reason for his request?

Solicitor is right

I am doing my own conveyancing for the sale of part of a field and the purchaser's solicitor says that, on completion, he will require the deed for the field in order to endorse a memorandum recording the sale of the part. I know that this is customary ***but there is a possibility that*** **the memorandum might be vague or contain an error which could cause much trouble after many years. Redress would seem to be impossible as I have no contractual relationship with the purchaser's solicitor.**
(a) does the purchaser's solicitor have this right?
(b) if not, could he require my permission as a condition of ***completing the sale?***

The purchaser's solicitor does have the right: you can agree with him in advance the form of the endorsement.

Claim for interest

I am a trustee (one of two) for the pension fund of a company which went into ***liquidation some four years ago.*** **Pending winding-up of the scheme, the invested money continued to earn interest (it remained in the London and Manchester Company's Investment Funds) until** ***October 31 1986, when the fund*** **was worth £691,227.53.**

At this stage it was agreed **that the members should have a choice as to where to invest their money (leave it where it was, move to another fund, have a paid up pension etc). Members were given three months to decide, although it has in fact taken longer.**

Now that the money is to be paid over in the near future, I have sought (with other members) to obtain from London and Manchester interest on the money from the declaration of the amounts in November 1986.

Initially they rejected the matter out of hand, but I persisted and they have now stated that they will:—

a. Give three months interest ***to 30.6.87 at 10 per cent per*** **annum, on the sums owing to myself and the other members I have joined with.**

b. They will continue this rate of interest from month to month, from 1.7.87 until 31.12.87, when the matter will be reviewed.

I have replied that it is not reasonable for them to retain interest for the five months ended March 31 1987, as that money was held by them on trust for the members. I have also said that more ***than 10 per cent could be*** **earned in a building society, and I have asked them what rate they actually obtained. I believe the other trustee will join with me to sue the company if necessary,** ***but I*** **should be grateful for your advice concerning the** ***possibility of success in such*** **an action.**

We can see no good reason why the whole of the interest earned on pension fund assets should not be paid to the pension fund trustees. Your reasoning is correct. You and your co-trustee have a duty to recover the whole amount of the interest actually earned, by litigation if need be.

Expenses refused

In 1967 my father's will established a trust with my mother as ***life*** **beneficiary. I was one of two trustees appointed. My mother died in 1985 and we are now realising the assets of the trust. There are five beneficiaries: the trustees for one-third each and** ***three others receiving one-ninth*** **each. The original assets are of about £17,000, and although all income was disbursed and substantial CGT paid on transactions during the life of the trust, nevertheless the original £17,000 has grown to over £170,000.** ***Naturally over*** **the years the time devoted to** ***managing the growth of the*** **income and capital of the trust has been substantial and willingly given.**

Each year when the trust accounts were prepared by a professional accountant my actual out-of-pocket expenses, as a trustee, were recorded, but not paid. Nevertheless they were deducted from the gross income, ***thus reducing the tax*** **liability. The gross amount of my claimed expenses was retained in the trust, including for all correspondence involved. Between 1967 and 1985 out-of-pocket expenses related to** ***correspondence*** **totalled £291 plus £880 for travel expenses. Since 1985 costs excluding travel have been £90.**

At a recent meeting the beneficiaries refused my request for a contribution of £333.41p, ***although they were*** **enjoying tax benefits of about £365 on the expenses that I had incurred on their behalf.**

Because each trustee is a one-third beneficiary, in effect I was seeking from the other ***beneficiaries*** **a collective contribution of £228.41p, from the tax benefit received on expenses I had paid.**

If *the sums you seek are for* disbursements which you have actually paid and are shown as expenses of the trust in the trust accounts you should be reimbursed for them *out of the* trust fund. You would not be entitled to remuneration unless the will expressly so provides.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Bank is wrong

In February my bank, Lloyds, ***sold 1,000*** **Sound Diffusion shares on my behalf. My account has yet to be credited with the proceeds of the sale. But when I contacted my bank they said that their brokers have lost track of the share certificate.**

I recently received a letter from my bank saying it was necessary for me to sign an indemnity form absolving the bank from all blame and costs etc involving the transaction.

I told a bank employee that I would not complete this ***document. Her response was:*** **"It is out of my hands."**

I feel that after about five months the "indemnity form" only adds insult to injury. Do you consider that my refusal to sign this document could make any difference?

Since the certificate was lost before any attempt had been made to send it on to you we agree that it would be wrong *for the bank to ask you to sign* an indemnity. That should be done by the bank or by its broker without charge to you. Alternatively the brokers and the bank might press the company to issue a duplicate certificate *without* an *indemnity if* the loss occurred before the brokers could have received the certificate, but the law as to this aspect is still unclear. If the bank persists in trying to get you to give or pay for an *indemnity*, you can refer the matter to the Banking Ombudsman, 5-11 Fetter Lane, London EC4A 1BR.

BRIDGE

TO ATTACK the declarer's entries may be the only way of defeating his contract. Look at this deal from rubber bridge:

```
            N
            ♠ 6 5 2
            ♥ J 10 5
            ♦ 10 9 4 3
            ♣ A 8 7
W                     E
♠ A K Q 9 8           ♠ 10 4 3
♥ 7                   ♥ 9 3
♦ K J 8 7             ♦ 6 5
♣ Q J 10              ♣ K 9 6 4 3 2
            S
            ♠ J 7
            ♥ A K Q 8 6 4 2
            ♦ A Q 2
            ♣ 5
```

With North-South vulnerable, South dealt and opened with two hearts, West overcalled with two spades, and North raised to three hearts, and South's bid of four hearts was followed by three passes.

West led the ace of spades, East dropping the three, and continued with king and queen. South ruffed the third lead, crossed to the ace of *clubs, ruffed a club high, and* entered dummy via the 10 of hearts. He ruffed the last club, drew East's remaining trump with the knave of hearts, and returned dummy's 10 of diamonds. East produced the *five, and the declarer let* the 10 run. West took with his knave, and was endplayed. A spade return would concede a ruff discard, allowing dummy to ruff and South to throw his queen of *diamonds*; a diamond *would run into the declarer's* tenace.

Let us put an expert in West's seat.

After cashing the spade honours, he can see the threat of an endplay if South is able to *strip dummy of spades* and diamonds. To do this, he needs three entries to dummy, plus one extra entry to lead the diamond from the table. He has two entries in the knave and 10 of hearts, and one in the ace of clubs. The expert West does not lead a third spade and so allow South to ruff without using one of his entries. He shrewdly leads the seven of *hearts at trick three, and South* goes down.

Now for a vintage hand from the maestro, Culbertson:

```
            N
            ♠ 5 4
            ♥ Q 5
            ♦ K Q 9
            ♣ A K Q 9 6 2
W                     E
♠ K 7 3               ♠ A 2
♥ J 8 7 2             ♥ K 9 6 3
♦ 7 6 4 2             ♦ A J 10 3
♣ 8 4                 ♣ J 10 7
            S
            ♠ Q J 10 9 8 6
            ♥ A 10 4
            ♦ 8 5
            ♣ 5 3
```

At love all South dealt, and after two passes North bid one club, East *came in* with one diamond, and South said one spade. North rebid three clubs, South said three spades, and North raised to four spades.

Instead of leading his partner's suit, West led the eight of clubs. This was primarily *to* attack the club communication between declarer and dummy, but there was also the idea of making a third-round ruff. Winning with *dummy's queen,* declarer returned a spade, and West's king captured the queen. West continued with his other club, the king took, and the last spade was led. East won perforce with his ace, and now made the key *play — he* led the knave of diamonds, *trusting* his partner to hold a third trump. This fine return forced the declarer to use dummy's *entry in that suit before it could* be of any advantage.

South played dummy's ace of clubs and discarded his other diamond. West ruffed, led the two of diamonds, completing a peter, East covered dummy's king, and South ruffed. Hoping that West held the king, *declarer led a low heart, but* fate was unkind and the contract failed by two tricks.

Great defence — an imaginative opening lead by West, and fine cooperation by East.

E. P. C. Cotter

CHESS

THE *JUNIOR* world chess championship, for players under 20, has traditionally been a proving ground for Russia's contenders for the senior title. Former winners include Spassky, Karpov and Kasparov, as well as Sokolov and Yusupov who are prominent candidates. This year's junior world, held at Baguio City in the Philippines, included three Russians as well as grandmasters and masters from the US and Western Europe.

All were outclassed by the 17-year-old Indian champion Viswanathan Anand, who scored *10/13 ahead of Russian silver* and bronze medallists, with an American fourth. Anand has competed several times in Britain's annual Lloyds Bank Open where he gained a reputation for extremely fast play, coupled with an alert, tactical vision.

The new champion's best game at Baguio tested a crucial question in chess theory. The Ruy Lopez 1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5 has been a favourite of many great champions, such as Bobby Fischer and Anatoly Karpov. The QN5 bishop restrains the black centre, but what happens if Black simply chases away and removes the dangerous bishop by *P-QR3, P-QN4* and *N-QR4?*

Some believe that Black can do *just* that, and that opening books should be rewritten. The bishop chase is specially popular in Norway, whose grandmaster champion was No. 1 seed at Baguio. Black failed to prove his argument at the board, but *doubts remain.*

White: V. Anand (India).
Black: S. Agdestein (Norway).
Ruy Lopez (junior world championship 1987).

1 P-K4, N-QB3; 2 N-KB3, P-K4; 3 B-N5, P-QR3; 4 B-R4, P-QN4; 5 B-N3, N-R4; 6 0-0, P-Q3; 7 P-Q4, NxB; 8 RPxN, P-KB3; 9 N-B3, B-N2; 10 N-KR4, N-K2.

Black's difficulties in this game derive from his king trapped in the centre, unable to castle. More active is 10... Q-Q2; 11 P-B4, 0-0-0; 12 N-B3, N-K2; 13 P-Q4, P-QB4; 14 PxP ep, QxP.

11 PxP, QPxP; 12 Q-B3, Q-Q2; 13 R-Q1, Q-K3; 14 N-Q5!

An astute novelty in place of B-K3, P-KR4! when Black can *offer* a queen exchange by Q-KN5.

14 NxN; 15 PxN, Q-B2; 16 P-B4, B-K2; 17 N-B5, R-Q1; 18 B-K3, P-N3.

The key to White's plan is that Black remains unable to castle because of 18...0-0; 19 B-R6! With the black king stranded, White can simply *build on his advantage in space* and development until a breakthrough opportunity occurs.

19 N-R6, Q-N2; 20 Q-N3, B-QB1; 21 P-KR4! B-Q3; 22 Q-B3, B-K2; 23 QR-B1, PxP; 24 PxP, R-B1; 25 P-B5, P-B4; 26 B-N5, BxB; 27 PxB, Q-K2; 28 Q-KN3, P-B5; 29 Q-R4, P-K5; 30 P-Q6!

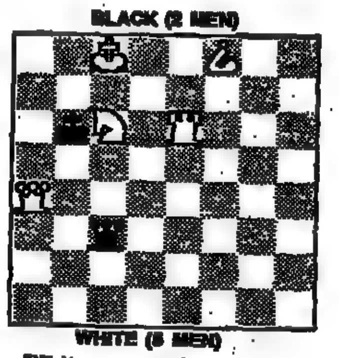
Starting the decisive attack; if PxP; 31 PxP, RxP? 32 RxB ch. 30...Q-K4; 31 PxP, RxR ch; 32 RxR, P-K6?

Losing at once; Black should try *QxP (B2)*; 33 N-N4, BxN; 34 QxB, R-B4.

33 R-Q8 ch, K-K2; 34 N-N8 ch! RxN; 35 RxR, B-K3; 36 P-Q, PxP ch; 37 QxP, BxQ; 38 RxB, Resigns.

PROBLEM No 687

BLACK (2 MEN)



WHITE (6 MEN)

White mates in two moves, against any defence (by H. V. Tuxen).

SOLUTION Page XVI

Leonard Barden

In the footsteps of the Mayans

CHRISTINA MACKENZIE visits temples, palaces and pyramids in the dense jungles of Guatemala

A FEW kilometres after crossing into Guatemala's mountainous Huehuetenango region from Mexico, you may well decide to turn back—put off by the state of the roads and the road-blocks. Don't, because these mild irritations disappear to give way to a land of spectacular countryside, Mayan ruins and colourful villages.

Huehuetenango was one of the regions which suffered most from guerrilla problems a few years ago, but the only remaining outward sign of trouble is the bridges: there are none. They were blown up by the guerrillas, or the army.

Temporary structures have been erected in some places, but in others one uses what remains of the bridges as best one can. The Guatemalans take it all in their stride, and explain that thanks to the *patrulla civil*, the civilian patrols, the region is now reasonably safe.

We had our first encounter with the *patrulla civil* a few kilometres after the border, when our bus was stopped at a little outpost, complete with sandbags and flag, by a group of rag-tag looking peasants armed with rifles and machetes.

They were all smiles as they studiously examined our passports . . . upside down. We came across these patrols every four kilometres or so within the Huehuetenango region and then they disappeared, never to be seen again.

Our first overnight stop was in Panajachel, a small town on the shores of Lake Atitlán which nestles among the volcanic peaks of the Sierra Madre. Next morning we soaked up the sun for an hour while crossing the lake to the village of Santiago de Atitlán, where our guide took us to a small hut which serves as the shrine of *Machimón*, a Saint Simon figure absorbed into the Mayan deity. In fact he is a crudely-fashioned wooden sculpture, no taller than a kneeling man, with a cowboy-style hat set jauntily and a large cigar between his teeth.

The air was heavy with incense and candle-smoke, the ceiling hung with dozens of plastic banners interspersed with little boxes which emitted bird twitterings, and the low altar in front of *Machimón* was covered with offerings of maize, locally-produced alcohol and money. After a *sotto-voce* discussion I was told to kneel in front of the altar.

The hut was full of respectful, inquisitive Indians, and I wondered whether I was going to be struck by a thunderbolt. But all that happened was that the small, laconic high priest slowly incanted a long petition in broken Spanish asking *Machimón* to ensure that I had a safe and happy trip. The moment was very solemn.

From Lake Atitlán we wound our way between peaks soaring 3,000 metres and more, their flanks carpeted in a green and yellow patchwork with spots of brilliant bougainvillea. We were driving along the Pan-American highway, used as an easy footpath by men and women virtually hidden under piles of wood and greenery carried on their backs.

Chichicastenango, one of the best-known villages of central America, lies an hour's drive north of Panajachel. Its fame lies in the market, held every Thursday and Sunday, which attracts large crowds of Indians and a few tourists. With its bamboo and canvas stalls, the market splashes its colour over most of the village. Multi-hued *huipils* (tapestried women's blouses), embroidered belts, tablecloths, bags, rugs and carved wooden masks attract the tourists; wheat, corn, fresh fruit and vegetables, plastic shoes and cheap Asian imports attract the locals.

After a swift visit to Guatemala City, full of low, optimistically earthquake-proof buildings and huge neon signs, we drove north-east, leaving the mountains behind and entering the vast plain of Petén, which edges into Belize to the east and Mexico to the north and west.

The main road from southern Guatemala to Flores, a town on the shores of Lake Petén Itza, was in the process of being paved when we were there, so it took us eight hours to cover 200 kilometres and we arrived dusty and bruised, having helped rescue a bus overflowing with humanity which had jammed on a large rock. The discomfort was well worth the reward—an hour north of Flores lie the spectacular ruins of Tikal, the apex of Mayan architecture. Set in a national park of almost impenetrable jungle, the pyramids and palaces poke their grey stones over the treetops and echo to the screeches of spider-monkeys and the cries of tropical birds.

Temple 1, or the Temple of the Great Jaguar, soars 150 ft above the jungle floor and can be reached by a virtually vertical stairway whose 50 narrow, worn steps have proved fatal to more than one — hence the chain which helps visitors hang on. The view from the top is worth the effort, as one overlooks large parts of the site which archaeologists believe contained over 3,000 structures.

Having obtained special permission to stay in the park after the 5 pm closing time, our guide took us to the top of the mightiest temple pyramid of them all, Temple IV, 229 ft from jungle floor to the top of its roof comb.

As only the temple at the top has been cleared of undergrowth, we had to climb using rocks, tree roots and the occasional ladder to help negotiate difficult spots. From the top we had a spectacular view over a sea of jungle which reached to the horizon in every direction and which slowly disappeared into thick blackness as the sun set.

● Iberia flies twice weekly to Guatemala City, via Madrid, for £621 (£736 at peak season, July 1-September 30). There are daily flights from London on British Airways, changing in Miami to Pan Am for £650 (£770 peak). Alternatively, you can fly to Mexico City and then drive to Guatemala or catch a local flight (Aviateca, Mexicano, Lacsa).

Local tourist agencies can arrange canoes, tents, etc, if you wish to see some of the remote Mayan sites. The one we used was Centro de Reservaciones, 7a, Avenida 10-44, Z.I., Terminal de Galages, Guatemala City. Tel: 536312.

An Indian woman in traditional costume

The Peugeot 405SRi . . . already a best seller

Peugeot does it again

HAVING HAD two Peugeot 305s during the past six years, I was particularly keen to try its successor, the 405. This elegant new saloon was introduced in France last May and has already become a best seller.

The left-hand drive 405SRi I tried briefly in Britain recently did not disappoint. Its styling is modish and one knew from the feel of the car and the sounds it made that it was a Peugeot. But it seemed to have moved up half a class.

Whereas the 305 was roughly a rival to the Ford Orion saloon and the Ford Escort five-door estate, the 405 felt more like a competitor for the Ford Sierra Sapphire or Vauxhall Cavalier. Peugeot, in fact, sees it assuming the larger 505's mantle in some markets, although not in Britain, where it goes on sale at the end of the year. Like the smaller 309, the 405 will be assembled with right-hand steering at Coventry.

The suspension of the fuel-injected, 1.9-litre SRi model was firm enough to please those who demand high-speed cornering stability but gave an exceptionally shock-absorbent ride. The seats, although still very comfortable, have more shaping and less squashability than those in my two 305s, which left me ache-free after many a 500-mile stint at the wheel.

The engine is vigorous but quiet, and the admirable aerodynamics make motorway cruising almost silent. The five-speed gearshift is light, the effortless power steering welcome when parking but precise for fast driving. An enormous boot is straight sided and uncluttered by the spare wheel. A lot of cars *must follow* the 405's example and have their screen-wash jets built-into the wiper blades — a neat and efficient idea.

After two days and a couple of hundred miles, one does not get to know a car properly, especially if it is a left-hand drive being used on British roads. I felt very much at home though in the Peugeot, with its clear instrumentation, sensible minor control layout, roomy interior and carefully colour-matched trim. Given competitive pricing, it must boost Peugeot's rising market share among fleets and private owners alike.

Will I have one? Not yet. I am a confirmed diesel estate car owner and, at present, there is only a four-door saloon body and a choice of petrol engines for the 405. These include a potent 1.9-litre, twin-cam, 16-valve unit developing 160 horsepower. But ask me again in about 18 months. I reckon my kind of 405 should be around by then.

Stuart Marshall

An open and shut case

Most of us can change TV channels without leaving our armchairs but only one British motorist in 50,000 can open the garage door from inside his or her car.

The benefits of the remote controlled, electrically operated garage door are better appreciated in the US, where one in every 25 works on the button. It is not just a matter of convenience, although this can seem significant if you are in your evening finery and it is pouring with rain as you fumble with the garage lock.

Security is more important still. In some urban areas, motorists are at risk when leaving the safety of their locked cars to open up the garage. With backs turned they are easy targets for a thug waiting in the shadows.

But an electrically operated door can be opened and, just as important, closed again from inside the locked car. Only then need the motorist leave the car to step indoors, providing, of course, there is access from the garage to the house.

With a remotely controlled Henderson up and over door to my garage, I will never again have to get cold and wet, or run the risk of getting knocked on the head as I get out of my car. Or at least I will not when I have removed enough of the old furniture, garden tools and general rubbish from my garage to make room for the car. I have promised myself to do so before the first frost of the winter.

The three UK manufacturers—Catnic-Garador, Cardale and Henderson—have set up a bureau to promote the benefits of electrically operated, remotely controlled doors. Call Sherborne (0935) 813999 for information.

Ideally, an automatic door is built into a new house and the manufacturers are concentrating their campaign on developers. But an existing up and over door can be converted to automatic operation for between £300 and £400.

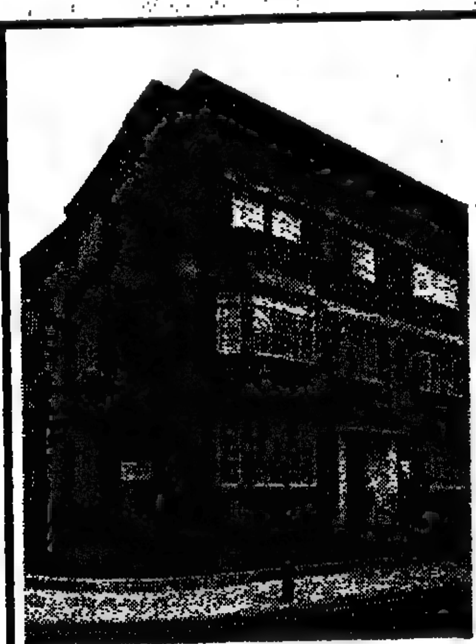
The operator is triggered by a radio signal from a tiny transmitter about half the size of a TV remote controller. Mine has a range of at least 60 metres. As the door opens and closes, the garage light comes on for a few minutes.

And what if there is a power cut or the mechanism jams? You pull a cord and the whole thing reverts to manual operation.

S.M.

Holidays & Travel

London Property



• COLLECTING •

Antony Thorncroft previews a major London event—next Wednesday's opening of the Burlington House antique sale and exhibition

Art, ambience and mammon at the fair

ON WEDNESDAY the antiques world rouses itself from its brief summer break. Of course Phillips and Christie's South Kensington, among the auctioneers, never close; and most of the leading galleries have some sort of show, but, with the belief that customers are off seeking the sun, the trade operates at a low gear in August.

But on Wednesday the doors of the Royal Academy open for the Burlington House Fair, which is proudly promoted as the antique dealers' fair.

It would be tedious to drag up the history of the fair, the battles with the Grosvenor House, where it used to be housed, and the emergence of two major fairs in London, one at the old venue, the other at the Royal Academy's home, Burlington House.

Both have now firmly established themselves. The Grosvenor might be flashier, more geared towards the rich American buyer over for the London season in June, while the Burlington, held every two years, has a more academic reputation and is the delight of dealers, but the differences are minimal.

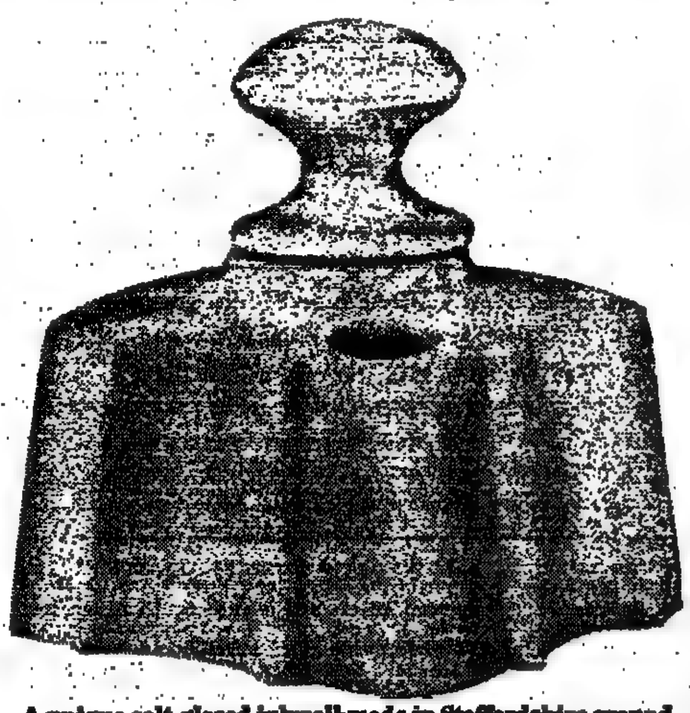
The Burlington has overcome two nasty obstacles—its timing and its venue. Ideally it should be put back into early October when there are more buyers around and the trade has had the opportunity to stock up after the selling spree in the early summer. There has also been the feeling that the Royal Academy likes the Burlington's money—it earns around £40,000 from the two-week rental—rather than this explosion of mammon in its grand surroundings.

If the Royal Academy is not a natural habitat for a businesslike fair (some of the Friends of the RA who attend are surprised that all those impressive works of art are for sale) the natural light that filters through its galleries shows off the antiques to much better effect than the fabricated atmosphere at Grosvenor House.

Apart from being organised by the dealers themselves, Burlington has one other major distinctive feature from the Grosvenor—it lets in foreign dealers. It is virtually impossible for a newcomer to break into Grosvenor House but some interesting dealers will be taking space at the RA, in particular Delataille of Brussels with ethnographic art, especially pre-Columbian American, and Piero Corsini of New York, who is offering a pair of religious paintings on marble by Jacopo Bassano.

The foreign dealers not only open up the fair, widening its range and attracting a more international clientele: they also improve its appearance. On the Continent much more attention is paid to the display of stands, and the combination of some intriguing new dealers and the magnificence of the Great Rooms at the Royal Academy ensure that this is a good looking concern.

The Burlington does not bother with all that nonsense about insisting that everything for sale is an antique: that is, an object over a hundred years old. As its chairman, Kenneth Snowman, of Wartski, says: "We are not century snobs." So picture dealers like Peter Nahum and Julian Hartnoll, whose offerings extend well into the 20th century, have taken space as well as David Messum, a popular pioneer of the Newlyn School in recent years, who at the RA offer pictures ranging up to 1930.



A unique salt-glazed inkwell made in Staffordshire around 1745 and available at Jonathan Horne's stand.

A pre-Columbian ceramic seated figure dated 500 to 1000 AD, on offer at Delataille of Brussels.

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The loan exhibition, without which a major fair these days would look quite bare, is also relatively "modern." The two greatest collections of Fabergé jewels (outside the Soviet Union) are temporarily joined—those of the Queen and Malcolm Forbes, of Forbes Magazine; and among the select items on loan are some of the fabulous eggs presented each Easter by the last two Russian Tsars to their consorts, including the Mosaic Egg of 1914 owned by the Queen. Also definitely not for sale is a selection of some of the treasures that the National Art Collections Fund has helped to acquire for the V & A.

In 1987 the Fair attracted 25,000 visitors, as many as for Grosvenor House. What will they receive for their £4 entry fee (including lavish handbook) this time round? As always at the RA the picture dealers are to the fore—another contrast to Grosvenor with its preponderence of furniture.

The most expensive paintings will be on offer from the top Old Master dealers. Richard Green has a £1m Canaletto and a marvellous soothing landscape by Gérôme (both of which were also at Grosvenor House) while Colnaghi displays "The Flight into Egypt" by Sebastiano Ricci, and a strong 16th century portrait of a gentleman by Ambrosius Benson.

The Bury Street Gallery will be maintaining the international flavour with its display of European pictures of the late 19th and early 20th centuries, including works of Boldini, the most famous European portrait painter of his day, and by Vilhelm Hammershoi, the Danish artist, who has been catapulted into prominence in recent years following the discovery of the charm of 19th century Scandinavian art, in particular the peaceful interiors. Prices will range between £5,000 and £30,000.

Pride of place at David Messum will go to "A Regatta", an Impressionostic scene by Sir John Lavery priced at £32,500. The Newlyn School will be well represented by Stanhope Forbes, among others, and there will be a good show of the Scottish colourists. These are two sectors of the art market which have seen a rapid price appreciation in the last two seasons.

Another is late Victorian sculptures, "Teucer", by *William Hamo Thornycroft*. A dramatic exhibit at the Sabin Galleries is "Marie Antoinette led to the Execution", while Browse and Darby offer a bright oil by Henri Martin, "La Promenade". Martin is typical of the second division Impressionists now fought over as the first rank become too costly.

John Christian Schetky was Marine Painter in Ordinary to King George IV. Yet his painting for sale at the Ackermann's stand is of Belvoir Castle from Devon Hill. His marine interest manages to surface with the inclusion of a yacht sailing on the river. One of the Newcastle school of marine artists, John Scott, is also represented with "The Ocean", captured at the mouth of the Tyne in 1861.

That indefatigable exhibitor Johnny Van Haeften, who specialises in Dutch pictures, is showing a Cuyp, and a rollicking "bacchante" by Herman van der Myn. William Drummond will have for sale a good range of modestly priced drawings and watercolours, plus at least one major work, a portrait of George Keppel, Earl of Albermarle, by Liotard.

Like most dealers Bill Drummond sees the Burlington as a wonderful opportunity to meet potential new customers. He invariably manages to cover the rental costs while at the same time adding to his mailing list some interesting new names. And, of course, old clients drop in for a chat, for advice, and perhaps to pick up an interesting recent acquisition.

There are some dealers who hold back works of art for fairs but most trot out the best of their current stock. This can mean that old favourites from the Grosvenor sparkle again at the RA.

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As usual Spink will be selling a wide range of antiques from pictures to silver to oriental pieces. The highlight is undoubtedly the set of eight silver gilt salvers made by Andrew Moore in London in 1703 to commemorate John Methuen who was chancellor of the Irish House of Lords. They are unusual in having detachable feet. Their price is also rather unusual — £900,000. Among the pictures there is a series of elevations of Venice by the 18th-century artist Antonio Visentini, while the oriental works of art include a large 18th-century Chinese wall panel destined for the Imperial Palace.

Bernheimer is presenting continental furniture and ceramics, textiles and oriental ceramics. One of the most important items is a Louis XVI secretaire-a-abattant with the stamp of Charles Topino, one of the few French furniture makers working in Paris during the final years of the *ancien regime* when most of the leading makers were German. An outstanding piece is a pair of Venetian green painted and gilt doors from the 18th-century which are 252 cms high.

Among the more unusual works of art are Russian, continental and Scandanivian furniture from Tzigany; tapestries from Galèrie Chevalier of Paris; and mediaeval sculptures and Limoges enamels from Peters' Oude Kunst of the Netherlands. The Pelham Galleries, specialists in English furniture, is joining forces with Colnaghi, the picture dealer, to present a grand room setting.

Another room, a feature of continental fairs, will be devoted to Tudor artefacts, with Tom Crispin contributing early oak furniture, Jonathan Horne delftware, and Richard Philp Elizabethan and Jacobean portraits. Although many of the works for sale will be of interest to museums — the Getty was a prominent buyer at the 1985 Fair — there are objects priced in the £200-£600 range, in particular maps and prints at the O'Shea Gallery; silverware from Maurice Asprey; and medical, dental and optical pieces on Harriett Wynters stand, reflecting the growing collectors' interest in scientific instruments.

The Burlington will take place after the best ever season for the salerooms, with record price after record price capturing the headlines and persuading new buyers into the art market. The dealers have been forced to take second place to the salesrooms in recent years but in certain areas, such as Old Masters, silver, and specialist sectors like textiles and tribal art, they are still a major force. They are the best customers of the salerooms — and their major suppliers.

The new recruit to antique collecting needs a dealer for advice, support and encouragement. Many will guarantee to buy back the items they sell; many will hope to serve the customer for years. Dealers traditionally talk up the market.

The Burlington will indicate whether there is plenty of life left in the present art market boom. All the indications are that, as long as the major world economies maintain their current momentum, the salerooms and antique dealers will be kept in the high style to which they have become accustomed.

London Property

• PROPERTY •

Join the home guard

John Brennan looks into insuring your house against perils that can range from a burst water pipe to a burglar

A COMPUTER full of 2.7m household insurance risks helps John Westlake to dispel some of the myths about progtecting homes.

Westlake, who looks after the retail side of Sun Alliance's household insurance business, and who has the policy experience of 17 per cent of the country's homes on which to base his thoughts, favours burglar alarms and lagging.

He welcomes Neighbourhood Watch schemes and stay-at-home customers. He is chary of winter holidays, videos, mirrored bedroom wardrobes and fitted kitchens, and looks higher up the premium charges when faced with an inner city property rather than a rural retreat.

He also keeps a close eye on motorway developments because they, too, have a surprising impact on the price the insurer charges to take on domestic risks.

Westlake has no doubts about the value of burglar alarms, either. Household insurance premiums are based on the claims from each of Britain's postcode areas—and the evidence is quite firmly on the side of alarms. "They are a deterrent. Most thefts are relatively small, opportunist moves where people nip in and out very quickly," he says.

"Even if the neighbours take no notice of bells ringing, and even if the police don't react to an alarm in the middle of the day, the thief will notice and get out very quickly. You don't see many opportunist thefts where there is an alarm.

Most of these are amateurs, though. When you're talking of professionals, you should look out for motorways. Westlake says: "The M25 is wonderful for burglars. The incidence of motorways has enabled people to be so much more mobile. And you can see quite distinct patterns with professional housebreakers following the motorways to do a job in areas away from their homes."

Theft claims have risen along with the value of house contents as much as with the increasing number of break-ins. "Five or six years ago, only a few people had videos; now, it seems that everyone has them—it sometimes seems that we must replace about half of the things every year!" Westlake laments.

Theft accounts for 50 per cent of the cost of household insurance claims; and while there is no adequate evidence yet to show if Neighbourhood Watch schemes do help to cut crime, Westlake favours them as a way to raise householders' awareness of the need to take security precautions.

He says: "It is far too early to say if Neighbourhood Watch schemes do have an effect on the number of household thefts, although I think they will. Three years ago, when we were involved in making a promotional video about the schemes, there were around 200 such schemes in the country. There are around 29,000 now, so the idea has mushroomed too fast to be able to say anything concrete about their effectiveness."

Sun Alliance is monitoring carefully the claims experience of areas with Neighbourhood Watch schemes but, until there is more evidence, membership of a scheme on its own is not sufficient to qualify for the lower premium schemes the group has launched for householders who can show that they are at home at least four days a week, have adequate deadlocks on doors and windows, or have installed an effective alarm system.

Water is the prime culprit after thieves for household insurance claims, and the rising costs of burst and overrunning pipes is, as Westlake says, a direct result of changing lifestyles.

"We are taking more and more water into the house these days with second bathrooms and showers, a washing machine and dishwasher, and more central heating. There is more leisure time as well, and more people take holidays abroad just at the time of the year when it is cold in Britain and when pipes are most likely to burst. As they are away, there is also more chance for damage to be done."

There is also much more to damage. Westlake says: "Ten years ago, if you had a burst water pipe in a kitchen, all you would have had were stain marks and a few wet floors. Now we've got wonderful fitted kitchens, all chipboard and laminates—and they do not like water."

Newer houses with better built-in insulation ought, then, be a better bet for the household insurers? Not in Sun Alliance's experience. Insulation like this does not justify a discount because, for every pipe that doesn't burst, there is a damage claim from owners who haven't the elbow room they are more likely to find in a bigger, older house. "You find that, in a lot of houses, the builders fit mirrored bedroom wardrobes to make small rooms look bigger . . . and they get broken," Westlake says.

Records confirm that homes in Devon and Cornwall, the rural areas of East Anglia or in the Scottish Highlands appear to be the properties least likely to be on a housebreaker's rounds. "They may not be attended but you just don't get the same number or size of claims that you get in inner city areas," Westlake explains. Homeowners in the wilds can get premiums of 33p for every £100 insured, a quarter of the top quoted rates for those with riskier postcodes.

London is no more of a high-risk area than any other major city, although the concentration of wealth does mean it has more than its share of properties that run off the standard premium charts and where cover can be arranged only after a homeowner has installed an acceptable security system.

Looking nationally, Westlake says: "People are still grossly under-insured because we do have so many things to take account of in household insurances these days." Still, the years of high inflation have had the effect of persuading people to switch to "new-for-old" insurance rather than traditional policies that pay out only on the written-down value of goods after allowing for age and wear and tear. Only 3 per cent of Sun Alliance's household insurances remain on that old basis.

UNMODERNISED COTSWOLDS barns are sufficiently rare to command significantly more than comparably sized modern village houses, so it is only mildly surprising to see Jackson-Stops & Staff's Cirencester office (0285-3334) has put a guide price of £80,000 on a Grade II listed barn for conversion while it expects that the 17th-century, equally well listed five bedroom vicarage next door (pictured) is likely to sell for just £150,000.

The Diocese of Gloucester has asked the agents to auction the Cold Aston vicarage and the barn as separate lots. The house has not been occupied for a year, and so the guide price reflects the need for renovation. The barn comes with planning permission for conversion into a three bedroom house.

The high life in London

SAVILLS' Kensington office in West London says the average price per square foot paid for a three-bedroom Kensington house last year was £293. The comparable average for a three-bedroom flat was £265. That is an unusual result for, as the agents say, it is "contrary to the commonly held belief that houses represent better value, in terms of space, than flats."

Having sold £69.3m of properties over the year, the Kensington office's analysis of property transactions does provide a useful, if necessarily selectively up-market, view of property activity in the area. Its research suggests that a little over half of all buyers are British, and that six in 10 of those bought houses rather than flats.

Looking ahead, Savills comments that in Kensington: "The increased supply of flats due to be marketed over the next 12 months, both conversion and new build, suggests the likelihood of a greater increase in house prices than in flat prices—except for those under £250,000, which we believe will still be in short supply."

Overall, the agents say that for 1987-88, "Given a stable economy, we foresee a return on capital of 15 per cent per annum," and report that gross rental returns in Kensington have averaged 8 per cent a year.

"We anticipate that this rate will continue."

CHANGING attitudes to distance look certain to draw plenty of pre-auction bids for Batcombe farmhouse (pictured) in Somerset's Mendip Hills. Standing in 78 acres of land just two miles down the A371 from Cheddar, 21 miles from Bristol, and five miles from Junction 22 of the M5, the farmhouse dates back to 1510 when the lands formed part of the Glastonbury Abbey estates. Built for Abbot Bere, one of the last abbots before the Dissolution in 1536, the eight-bedroom house with 18th-century additions has long been too remote for London buyers and is sufficiently untouched to be in need of full renovation—hence a £200,000 guide price ahead of an auction on Thursday, September 10 at the Bath Arms Hotel, Cheddar. The present enthusiasm for M5-linked properties should inspire interest through joint agents J. H. Palmer & Sons (0278-782326) and Humberts (0823-288484).

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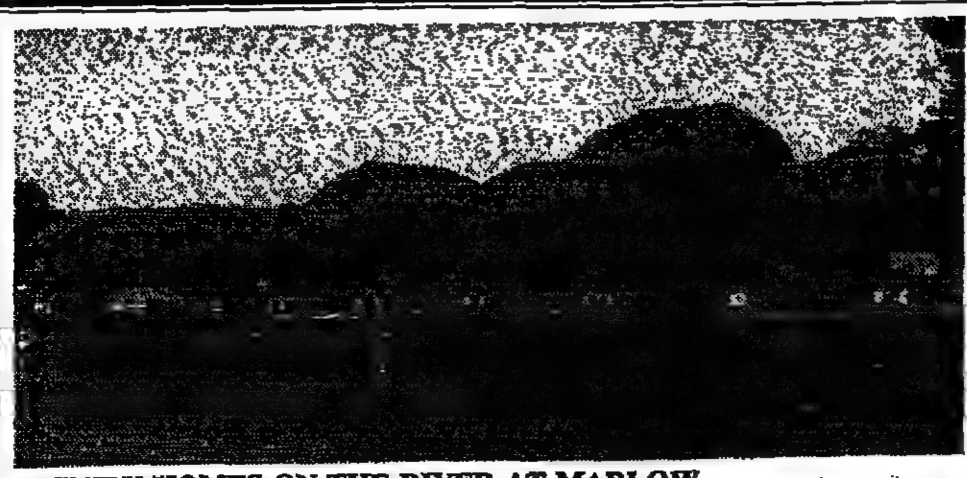

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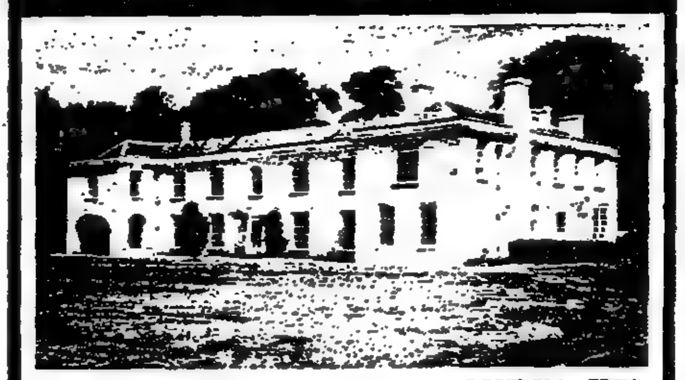

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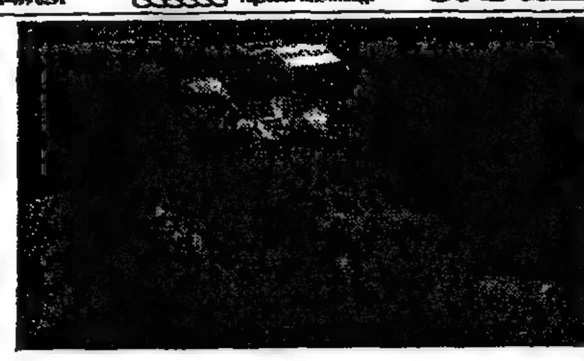

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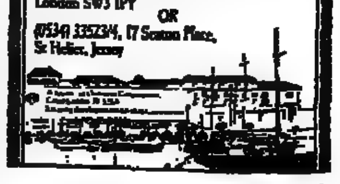

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Graham Howes traces the big spenders to the great Romantic outburst

Go out and buy

THE ROMANTIC ETHIC AND THE SPIRIT OF MODERN CONSUMERISM
by Colin Campbell. Basil Blackwell. £25.00, 301 pages

TRADITIONAL explanations of consumer behaviour, past and present, usually draw upon two sets of assumptions. One, from classical economics, sees consumers as subordinate to the essential interplay of supply and demand, or, à la Galbraith, as the prisoners of an economic system that depends heavily upon making us acquire things we neither want nor need. The other, more psychological in emphasis, sees us as motivated by a need to keep up with the Joneses while being helplessly manipulated by a battery of hidden persuaders.

Dr Campbell is rightly dissatisfied with both explanations, and in this thoughtful and densely argued book he not only tells us why, but puts forward a highly original thesis of his own. In essence it is this. Not merely did the Romantic Movement assist crucially at the birth of modern consumerism, but since the Industrial Revolution it has been the "romantic" rather than the "rational" ingredients in our culture (ie, our emotional rather than our material needs) which has provided consumerism with its main dynamic.

His historical starting point, directly echoed in his title, is Max Weber's famous study of "the Protestant Ethic and the Spirit of Capitalism" in the sixteenth and seventeenth centuries. But instead of seeing, as other sociologists have done, modern consumerism as assisting in the final demise of that Ethic — burying it, as it were, under a mountain of credit cards—Campbell argues for its opposite effect. He shows, on strongish evidence, that Protestantism, and especially Puritanism, carried within it not only dedicated industriousness and frugal asceticism, but also two powerful strands of "sentimentalism" and "emotionalism" which converge eventually into the full-blown concern of the English Romantics for the pleasures of feeling. Their final mutation is into what Campbell calls "the autonomous, self-illusory hedonism ... at the heart of modern consumerism."

As a piece of straight cultural history this can be set usefully alongside the more empirical explanations of the rise of consumerism — class, population growth, technology and entrepreneurship — deployed by most historians. But even here it is a little unnerving to find the Cambridge Platonists and Jane Austen looming larger in Campbell's causal chain than Evangelicalism, Carlyle or Ruskin. He also presumes a little too readily that cultural phenomena (e.g. Romanticism) necessarily shape thought and action, while it is simply not the case that "only in modern times have emotions come to be located within individuals."

In fact Campbell has disappointingly little to tell us about our own times. Instead he seems content to lead us back to the so-called "counterculture" of the 1960s and 1970s as the apogee of his Romantic Ethic. This may be so, but it does not really help today's readers to interpret their own consumerism. Perhaps we have already entered a world of "post-modern" consumerism, where, shaped by the media, social mobility and working class affluence, consumerism has become mass consumption and taste has already collapsed into mere fashion?

But least persuasive of all is Campbell's version of modern hedonism itself. This he describes as "covert and self illusory" and through which "individuals employ their imaginative and creative powers to construct mental images which they consume for the intrinsic pleasure they provide, a practice best described as day-dreaming or fantasising." But do they? Do we? Surely much modern hedonism, however linked to consumption, is not — especially in Mrs Thatcher's Britain—"covert and illusory" but firmly rooted in class, income and community. As Woody Allen—the Walter Mitty of the 1980s—says somewhere, "who needs dreams with a life like mine?"

Queen bee's sting

THE LATE MRS DOROTHY PARKER
by Leslie Frewin. Sidgwick & Jackson. £14.95, 344 pages

EVERYBODY KNOWS who Dorothy Parker was. She was the sharp-tongued American who said that if all the chorus girls on Broadway were laid end to end she wouldn't be at all surprised. But she was also a best-selling poet and short-story writer, and an envied member of the exclusive Algonquin literary circle.

She was born a Jewish princess. Her father, J. Henry Rothschild, a prosperous garment manufacturer, was also a man of some quality and learning who lived with his wife Eliza, their four children and five servants, in a large house on West Eightieth Street, New York.

When Dorothy was 6 her mother died and her father remarried. The stepmother was a "hellfire and brimstone" Christian and Dorothy was sent first to the Convent of the Blessed Sacrament and then to Miss Dana's School for Young Ladies in Morristown, New Jersey. At 17 she left home and, with a small allowance from her father, went to live in a boarding house on 103rd Street and Broadway.

When she was 24 she married Edwin Pond Parker II, an investment broker and a pleasant, shy man. The only snag was that he drank at least one bottle of whisky a day. After he was wounded in France serving in the Ambulance Corps, things went—as Mrs Parker said in another context—from "bed to worse." They were divorced after two years.

In the meantime she had become drama critic of Vanity Fair. Her constant companions were her colleagues Robert Benchley and Robert Sherwood. Their regular lunches at the Algonquin Hotel led to the formation of "The Round Table at the Algonquin"—or, as some called it, "the Vicious Circle." Among the other members were the staff of Mencken's Smart Set; Franklin P. Adams, Alexander Woollcott and Harold Ross; and Edmund Wilson, Donald Ogden Stewart and Heywood Broun.

Mrs Parker was, according to Marc Connelly—one of the many irregular visitors to the Circle—a riveting presence. She spared no one; she could not be bought. But other people could. When she made her usual cracks about the actress wife of the great Florenz Ziegfeld she was sacked by his friend Condé Nast, owner of Vanity Fair.

Without a regular platform, Dorothy's activities were curtailed but not stopped. She became a freelance. Her affairs were by now the talk of the town. One, with Charles MacArthur, resulted in an abortion. Mrs Parker was found with her wrists slashed but she recovered her sang froid sufficiently to write: "Razors pain you;/Rivers are damp;/Acids stain you;/And drugs cause cramp;/Guns aren't lawful;/Nooses give;/Gas smells awful;/You might as well live."

In the summer of 1926 she went to stay with Gerald and Sara Murphy in Antibes where she had an affair with, among others, Scott Fitzgerald. Back in New York she continued to pour vitriol on all and sundry.

Her second marriage was to an Adonis-like bi-sexual named Alan Campbell. This was in 1934 when she had become much admired for her fiction. Hollywood beckoned. Leland Hayward offered her and Campbell a six-picture contract at $5,200 a week. It was an offer she could not refuse. She took up residence in the Garden of Allah where Sheilah Graham remembers her looking like "a tired Renoir . . . with rather sparse black hair in sticky-looking bangs on her forehead." It was a prosperous—and also a relatively happy—time, for Campbell was devoted to her even though he, too, came under the lash of her tongue. He stuck it for 13 years; they were divorced in 1947. He remained loyal, however, and in the 1950s, when she was subpoenaed by the House Un-American Activities Committee, they re-married.

The relationship lasted until 1963 when one morning she found Alan dead in bed. Her reaction was typical. "Find me another husband!" she said to a shocked neighbour. She lived on alone for another 4 years in the Volney Hotel in New York drunk, depressed, paranoic and surrounded by her dogs.

Edmund Wilson said that she put into what she wrote "a voice, a state of mind, an era, a few moments of human experience that nobody else has conveyed." It is true; and it is her best epitaph. Although Leslie Frewin's account does not have the flavour of John Keats's now sadly out-of-print biography nor the authority of Arthur Kinney's Twayne's United States Authors study, it is a workmanlike piece of writing, good in detail. It is a pity that he should have chosen to write in a kind of childspeak ("the emergent English poet Rupert Brooke," "the French Cote d'Azur") but if the reader can gloss over the style the compensations are some interesting background material and a real feeling for the subject.

Geoffrey Moore

Harking back to nurture

A GOOD ENOUGH PARENT
by Bruno Bettelheim. Thames and Hudson. £12.95, 377 pages

THE FIRST point to notice about Bruno Bettelheim's "guide to bringing up your child" is that it has no index. This is an indication of the tone and stance of the latest work by the celebrated, octogenarian psychologist who made his reputation healing deeply disturbed children. There are no immediate or definitive answers to the question of what constitutes "a good enough parent."

Indeed, social workers and psychologists in their clinical practice, magistrates and judges making decisions about the future of children in care who may have been ill-treated or neglected by their parents, have been trying for years to find guidelines to the concept.

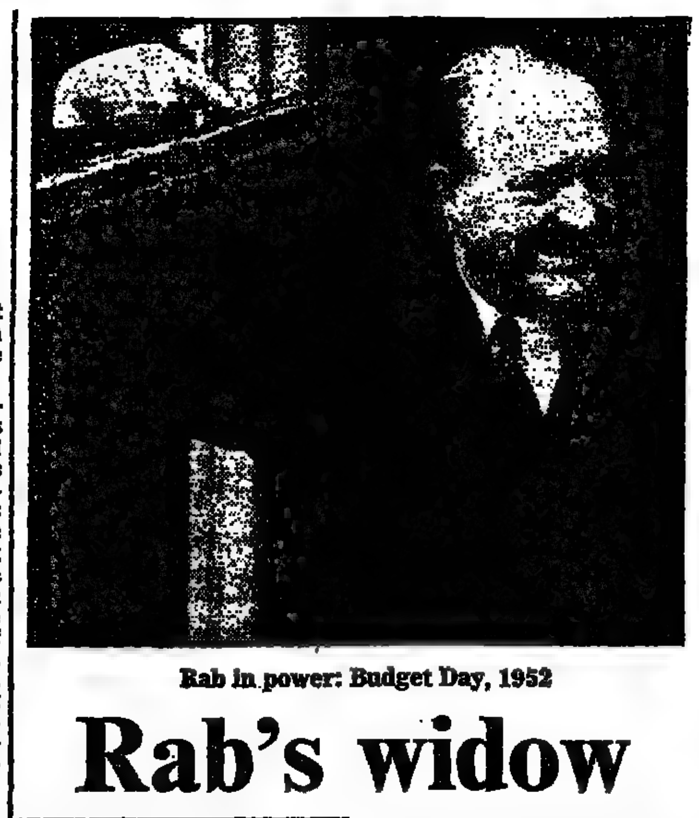
In the 1960 edition of Dr Spock's baby and child care you could find a detailed description of childhood rashes and you could also look up pages 330-331 to find out what to do about temper tantrums. The advice that follows is not so different from what Bettelheim dispenses but then the eye travels to Spock's next paragraph on punishment. Here you see where their approaches diverge. Bettelheim's long, involved discussion of punishment is an integral part of his argument about the way the child develops a concept of self. "The goal in raising one's child," Bettelheim says, "is to enable him, first to discover *who* he wants to be, and then to become a person who can be satisfied with himself and his way of life."

The uncomfortable truth that emerges after reading this wise book is that in order to be a good enough parent you have to be aware of yourself, where you stand and what you want. You then have to see the child as coming from you and affected by you but separate from you. You have to let the child develop at his or her own pace, without putting pressure for your goals, patiently supporting him or her in every activity and phase of exploration. The catch is that all the time children grow up they are not so much listening to what you say but watching what you do. To use the psychoanalytical jargon, they are internalising messages from parental behaviour.

Parents thus take on an awesome responsibility and there are practical problems. How, for example, can they avoid passing on to the next generation the deficiencies of their own upbringings? Bettelheim puts much emphasis on the power and magic of play in human development. Although he is conscious of the way parental roles in Western society are changing, he writes at length (and sometimes repetitiously) about doll play as the way girls especially make sense of the models of parenting they have received and project to the future. Bettelheim urges mothers to look back on their own play with dolls and use it to join their children playing with dolls, thus re-experiencing aspects of their own childhood doll play and their own mothers' involvement in such play, while simultaneously feeling in themselves "what it now means to be the mother of a little girl who plays with dolls." What do you do if you did not play with dolls yourself, if your mother did not play with you and if your daughter wants to imitate you by playing with a typewriter?

Fortunately there is a way out as Bettelheim never shuts the door on compromise. If I read him right, by playing dolls with your daughter you can make up for yourself the experience you did not have as a child and enjoy giving your child an experience you did not share with your mother. And presumably, if your daughter chooses a typewriter, she is developing her own way so that must be all right, too. The answers are neither simple nor totally reassuring but those who read this book will learn about themselves as well as how to help their children.

Sarah Preston



Rab in power: Budget Day, 1952

Rab's widow

AUGUST AND RAB: A MEMOIR
by Mollie Butler. Weidenfeld & Nicolson, £12.95, 162 pages

"THERE WERE those who admired Mr Macmillan, and others who were less enthusiastic about him: I have always belonged to the latter category." So writes Mollie Butler, widow of Rab. When Macmillan was instrumental in preventing her husband from becoming Prime Minister, she vowed never to speak to the former again and almost stuck to it.

This is not a political memoir, however, but a love story; or rather two love stories The first is of her marriage to August Courtauld, a renowned explorer after whom a glacier and a fjord were named and who died at the age of 54 after a long, unbearable illness. The second is of her marriage to Rab.

August was the cousin of Butler's first wife, Sydney, who herself died five years earlier. There seems to have been a discreet understanding that Mollie and Rab would eventually come together. "Much is written about young love," Mollie writes, "but love in middle life is like a renaissance and is as strong as anything I have ever known." The larger part of the book is about her life with Butler.

Some of her stories about him may not be widely known. He was apparently capable of carrying a bottle of wine in his trouser pocket without unduly distorting his apparel. He referred to music played on the gramophone as "that curious whining sound." His favourite form of entertainment was the circus, to which he and Mollie were always invited to a box at Olympia by the Bertram Mills family. Perhaps it reminded him of politics and the House of Commons.

To Mollie's regret, he had no liking for, nor understanding of either Jane Austen or P G Wodehouse. One would have thought that Lord Emsworth would have been right up his street. Mollie's explanation is that, as with music, he never had time to appreciate them. He put Keats above Shakespeare and did not share her admiration for Proust, for whom he had no time at all.

These are details, of course, but precious to know about a man who has so far mainly been written about as a politician.

The author, however, reinforces—perhaps unconsciously—a point that came out in the early part of Anthony Howard's recent biography. It is how different were the social conditions of some of the politicians who began to make their name in the pre-war period.

Rab was not rich, but gained a lot from the Courtauld connections. It became natural to him to have several houses—"All houses in Essex," writes Mollie, "are halls"—and to move about the country with servants. He loved shooting. Practically all the members of the family had been connected with Trinity, the Cambridge college of which Rab eventually became Master. Almost everything that he did seemed effortless, even if it was not. Something fundamental has changed in the post-war era. Still, in this case it is the love story that matters and will be remembered.

Malcolm Rutherford

Peter Quennell on a French novelist who went among the masses

Angry accuser

EMILE ZOLA: A BOURGEOIS REBEL
by Alan Schom. Macdonald Queen Anne Press. £14.95, 304 pages

AS THE nineteenth century neared its close, a famous exile alighted at Victoria Station—Emile Zola, one of the heroes of the Dreyfus Case, whose only luggage was a single nightshirt wrapped up in a newspaper. His English sojourn lasted 10 months; and, despite the dangers of his public position and the problems of his private life—behind him he had left both the somewhat formidable Madame Zola and his sympathetic mistress and her two young children—the great observer and chronicler of modern society found his visit entertaining.

At home, meanwhile, the great cause he had championed—the vindication of Captain Alfred Dreyfus, a Jewish artillery officer, convicted on forged evidence of selling information to the German military attaché—had made a number of dramatic strides. Colonel Henry, among the case's chief villains, had confessed to counterfeiting an important document and taken his own life; and the Paris Court of Appeal had at last agreed that the case should be reviewed.

In his biography of Zola, a solid yet well-constructed book, Professor Alan Schom, an American historian now resident at Oxford, has rightly devoted many pages to the complexities of the Affair that long divided and embittered French social life, and even broke up literary friendships. But the story is always worth retelling—so bizarre are its details and so strange its chief characters, Major Esterhazy, arch-villain and a genuine double-agent, and the enigmatic Major du Paty de Clam, described by Zola as "the diabolical contriver of the judicial error," who had then "defended his baleful work . . . by the most preposterous and culpable machinations."

Zola's first blow on the victim's behalf, entitled J'Accuse, published in January 1898, and addressed to the President of the Republic himself, was a tremendously effective pamphlet; but, although it launched an ultimately victorious campaign, not until 1906 was Dreyfus exculpated and restored to his previous rank.

Zola would not witness Dreyfus' triumphant vindication. He died in September 1902, *having apparently* succumbed to the poisonous fumes of a blocked-up stove-pipe; but Professor Schom believes that his death may have been organised by his political opponents. The evidence is slight. True, Zola was a much-hated man; and his life was often threatened. The authorities, on the other hand, brought in a verdict of "death by misadventure"; and most of his friends appear to have accepted it. Professor Schom, however, quotes from a French journalist, who in 1953 published a death-bed confession, said to have been made in 1927 by an ultra-patriotic chimney-builder. He and a couple of like-minded associates, the builder asserted, had ingeniously blocked the flue.

No Right-wing demonstrations spoiled Zola's funeral, which two squadrons of cavalry defended; and Anatole France, a former literary antagonist, delivered a resounding speech. The novelist, he declared, had "painted life with a virtuous and vivid hand. What appears as pessimism, a sombre humour found on more than one page, poorly conceals a real optimism, an obstinate faith in the progress of intelligence."

Zola's literary magnitude, as distinct from his public achievement, strikes us as slightly more dubious today. Compared with his old friend Gustave Flaubert, he appears to have been a powerful propagandist and stern contemporary moralist rather than a true creative artist. His own aims were simple and direct enough. He had chosen the novel, he told his English publisher, "as the form in which to present my views on the social, scientific and psychological problems that occupy the minds of thinking men"; and his first great best-seller, L'Assomoir, written at the age of 36, deals with the problem of urban poverty, and with the effect of their miserable enviornment on a working-class family whom it dooms to drunkenness and degradation.

He sought for huge themes that had a symbolic aspect; and, when he was 49, he embarked on La Bête Humaine, of which the originality, he said, lay in its minute description of the railway between Paris and Le Havre, where the continuous rattle of trains symbolises the sound of progress as it thunders on towards the twentieth century. An easier book to read, perhaps because its symbolism becomes a little less portentous, is Au Bonheur des Dames, which came out in the early 1880's, and depicts the growth of an immense Parisian department store, that invades a quiet neighbourhood, eats into its fabric, changes its whole character, and ruins and demoralises its traditional inhabitants.

Zola: visitor to London

Fiction

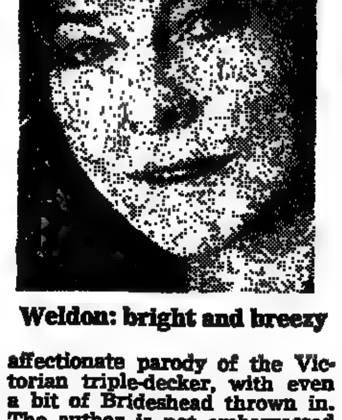
Nell rides again

THE HEARTS AND LIVES OF MEN by Fay Weldon. Heinemann, £10.95, 328 pages
ANOTHER LITTLE DRINK by Jane Ellison. Secker & Warburg, £10.95, 217 pages
SECOND SIGHT by Anne Redmon. Secker & Warburg, £10.95, 269 pages
FAST LANES by Jayne Anne Phillips. Faber, £8.95, 148 pages

FAY WELDON'S new novel The Hearts and Lives of Men is a departure from modern practice, both hers and other people's, in that it began life as 46 episodes in Woman magazine, an arrangement not often seen since the days of Dickens and Thackeray. She has thrown herself wholeheartedly into the task, banging out a chapter a week with a cliffhanger at the end, stepping out of the page to address us as "Reader", even coming up with a character named Little Nell, whose eventual reunion with her natural parents would have us all weeping into our embroidery in a less cynical, more sentimental age.

In fact the book isn't sentimental at all. It's bright, breezy, lucidly written, a tongue-in-cheek comedy of manners in modern day London, centred around an appalling creep named Clifford, who runs a Sothebys-type art house in the swinging 1960s. He is continually marrying and divorcing artist's daughter Helen, by whom he has Little Nell; continually carrying on an affair with bitchy South African heiress Angie, who is the major shareholder in his business and is never going to let him forget it.

Nell meanwhile is subjected to a tug of love between her estranged parents. Clifford arranges for her to be kidnapped and flown to Switzerland, only to believe her dead when the plane crashes on the French coast. But Nell survives and progresses from brothel to French chateau, where her adoptive parents indulge in black magic, then back to England in a series of wildly improbable coincidences that take her from a children's home run by a Bumble-like character, to a criminal's Herefordshire hideout, and eventually to an interest in the art world that leads her in adulthood to a somewhat treacly meeting with a reunited Clifford and Helen.



Weldon: bright and breezy

It's all good fun in fact, an affectionate parody of the Victorian triple-decker, with even a bit of Brideshead thrown in. The author is not embarrassed by the sort of outrageous coincidences that kept Dickens in business, and cheerfully disposes of superfluous characters by running them over with a lorry. She's occasionally slapdash—Harry Belafonte was never in Guess Who's Coming to Dinner?—and strains a bit when the two leading characters contemplate marriage to each other for the *third* time. As a dig at the world of fine arts though, The Hearts and Lives of Men offers plenty of entertainment, which is all one really wants from a novel.

Jane Ellison provided plenty of entertainment last year with her first novel A Fine Excess, and is following it up now with Another Little Drink, which does for journalism what the earlier book did for poetry. The plot is loosely structured around a clapped-out writer, currently the subject of a television programme, who has sunk into a well-deserved obscurity, only to be hauled blinking into the limelight when an old play of his is revived and the media discover him for the second time.

It's a nice idea and Jane Ellison has plenty of fun with it. The media behave predictably (no fault of the author's, who is merely recording what does go on); so do those whose careers depend upon the media, whether they be proselytising MPs or party-giving titled ladies who keep themselves in the public eye by graciously appearing on TV panel games. The author has a nice line in waspish, often recognisable portraits of pseuds and frauds, the sort of people whose names are linked in the public mind with Literature, even though their own contribution to creative fiction has never got any further than filling in their expense accounts.

She's less certain though in her tone of voice. She betrays herself with a forced jokeyness and a constant urge to amuse, when the trick is simply to tell a good story and allow the humour to arise naturally from the plot. Her characters let her down too, with names like Quintin Plugge, Lucinda Harpie-Kerr, Lady Arabella Spring-Greene. If she gives them sensible names next time, and places more faith in her ability to entertain without forcing the pace, she will probably write an excellent book instead of merely a good one.

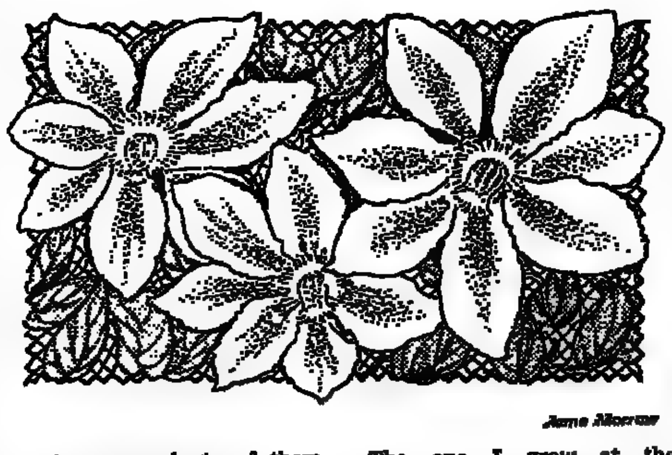
Anne Redmon has written a good book in Second Sight, a modern ghost story, with acknowledgements to Bram Stoker and Henry James. It is narrated by an American schoolmarm whose religious weirdo brother dies mysteriously in France and then apparently returns to haunt her and her sister, each return being linked in some way to the narrator's epileptic fits. There's very little action, although the book moves from America to Russia to the Gobi desert, where the sister also dies in mysterious circumstances. It's a strange story, highly atmospheric, deliberately obscure in the telling. It won't be to everyone's taste, but it's not bad either for those who like that sort of thing.

For those who don't, Jayne Anne Phillips's second collection of short stories Fast Lanes offers a complete contrast, notably in the title piece, which charts the progress of a couple of drifters hitting the Georgian highway in search of America. Pick-up trucks, dope, casual sex, the whole bit. There's contrast too in How Mickey Made It, the biography of a street-smart punk rocker—half-Spanish, half-Comanche—told in his own inimitable vernacular. The author has a tremendous ear for *language, for the American* idiom. Not a great deal happens in these stores, but they're uncommonly well written.

Nicholas Best

Gardening

Clematis rampant



AT THE end of summer gardens can become very short of flowering climbers. Rambler roses have a relatively short season, and even the supposedly perpetual flowering climbing roses do not keep going so well as their bush counterparts. Nor is there much to take their place except the late flowering and long-flowering clematis, which can make a considerable impact at this time of year.

For some weeks now Clematis Perle d'Azur has been making a great display in my garden. It has continued to flower long after the purple-flowered rambler rose Veilchenblau, with which it shares a pillar. It is one of the easiest clematis varieties to grow: luxuriant, free-flowering, and not minding in the least if it is quite severely cut back each February or early March. The flowers are light lavender blue, not especially large, but delightful in the mass. I can never understand why it is so difficult to find it in nurseries. High demand is the usual excuse, but surely this should be met with high production? There is no difficulty about propagating clematis with all the mechanical and chemical aids available today.

Nearly all the varieties derived from a wild clematis named Viticella begin to flower in August, and continue well into the autumn. My favourite is Royal Velours, with deep petunia-purple flowers of medium size, very freely produced. In my garden it shares another pillar with the old pink rambler rose Dorothy Perkins. This is also August flowering, so for a while both are in bloom together, but the clematis continues long after the rose. Kermesina is similar to Royal Velours; but there appear to be several forms of it around, perhaps seedlings, differing slightly in depth of colour but all beautiful and worth growing.

The best blue in this group is Etoile Violette. There are also several double-flowered varieties — the subject of much confusion both in description and naming. All have fairly small flowers with numerous sepals — the flower parts which in clematis perform the function of petals. One, at least, is very old, going right back to Elizabethan times; but the best to buy now is Purpurea Plena Elegans, sometimes listed as Elegans Plena. The flowers are purple; not a very bright colour, but there are plenty of them, and their unusual shape ensures attention.

There are also some larger flowered varieties which continue to flower well into the autumn. One is Ville de Lyon, arguably the best red clematis at any season.

It is much like Ernest Markham, which has two flowering seasons; the first in June, when the flowers are really big, the second in August and September, when they are smaller but more numerous. I grow it up that excellent climbing rose, Pink Perpetue, with which it blends well.

The nearly pure-white Huldine is another clematis that goes on flowering for a very long time. So do the popular iris-purple Clematis jackamanii, and its variety Superba. Experts say that Superba is the better of the two because the flowers are fuller and the colour a little deeper and redder. No doubt they are correct, but I think there is a lot of confusion between the two in nurseries and that even when the label says Superba it may well be plain jackamanii.

I am supposed to have both in my garden, but I have never been able to distinguish one from the other with any certainty.

There are also some attractive varieties produced by crossing a rather tender clematis from the southern US, Clematis texensis, with garden varieties. All are late flowering, and most die down each winter, sprouting up strongly again in the spring just when one is beginning to fear they have been lost. Most have flowers of rather unusual pitcher shape, usually in some shade of magenta, lighter and more silvery outside than within.

The one I grow at the moment is Duchess of Albany. It is very vigorous, but I have lost Gravetye Beauty, slightly deeper in colour. I think all these varieties have inherited a little tenderness from their American ancestor, and need an especially warm and sunny place.

In addition to these and many more garden-raised varieties there are some genuinely wild clematis that flower late and are well worth planting in gardens. The best known, and a great favourite, is Clematis tangutica, with small buttercup yellow flowers followed by highly decorative seed heads covered in long silken filament. At this stage it looks like a very refined version of Traveller's Joy or Old Man's Beard, which covers hedgerows in Britain wherever the soil is strongly alkaline. It is frequently said that the best form of this clematis is the one with the awkward name obtusiuscula. This may be true, but again I suspect that there is not much to choose, and that what most nurserymen sell are seedlings —which may vary a little, but not so much as to cause any anxiety, since all are beautiful.

Clematis flammula is a very different plant, making each year an abundance of slender 10 foot stems smothered with very small white almond-scented flowers in September and October. You might think that such a lovely, easily grown plant would be in every nursery, but you would be wrong. This is one to be obtained from a clematis specialist such as Treasures of Tenbury Wells, Shropshire; Pennels of Lincoln; or Fisk's Clematis Nursery, near Saxmundham, Suffolk.

Arthur Hellyer

Bridge across the cultural divide

Oxford is using chemical 'fingerprints' to investigate the past, says **Gerald Cadogan**

CHURCHILL'S wartime scientific adviser Lord Cherwell—known as the Prof—and Professor Christopher Hawkes, the archaeologist, dreamed it up over dinner in Christ Church in 1950—"certainly with the fish, perhaps already with the soup." To convince Oxford University and raise funds took time. But the result was Oxford's Research Laboratory for Archaeology and the History of Art, which opened in 1955 under (now Professor) E. T. Hall, who had been a DPhil student of the Prof's. It was the first of its type in the world and a unique bridge across the then newly discovered gap of the "two cultures," science and the humanities.

It was the pioneer in applying science to archaeology and art history, and the Prof's beloved child has kept its eminence in the eyes of specialists and laymen. Many new methods have been discovered and refined in the two terrace houses in Keble Road.

Thermoluminescence, for example, illustrates the laboratory's inventiveness. It is in fact a solid state physics technique for dating ancient pottery, which the laboratory uses for authenticity tests on pots and figures on behalf of dealers and galleries—and also for measuring the real amount of radiation that people received at Hiroshima and Nagasaki. To get the best price for a Tang figure, have an Oxford certificate. The authenticity income (about £140 a test) supports research.

Dating, prospecting and analysing have been the laboratory's themes; the results appear in its distinguished journal, Archaeometry, and at the international archaeometry meetings, which it began.

Having had no science education, I have been led across the Two Cultures Bridge by archaeological science. It is exhilarating, and humbling. Each side has to explain its discipline and its problems so that the other side may see how to help. For example, how may a problem concerning the early pottery trade be re-expressed in terms of the relative proportions of trace elements in the clays? By assessing the elements you can "fingerprint" the clays, and so the pots, and assign them places of manufacture and distribution.

One dating method, for instance, puts pottery samples into a cavity within a cryogenic magnetometer containing liquid helium at −269°C ("Do not touch") to test their magnetic intensity. Clay retains a weak remanence of the magnetic intensity of the time it was fired. Once a profile has been made of its intensity over the centuries, it can be used to date new finds—in general terms—and so can be another way of checking authenticity.

The proton magnetometer is another Oxford innovation for the archaeologists. Going strong after 30 years, it locates ditches, iron and hearths, and sometimes walls and tombs, which are invisible under the ground. Closely spaced readings give a plan of magnetic anomalies which may then be tested by digging. It is an ideal tool for smooth turf and stone-free soil in Britain.

When the objects have been found, the next question is: where do they come from? And how were they made? Here there is much the eye cannot see. Fingerprinting the chemical composition of pottery and glass — even obsidian, the natural volcanic glass — is done in Oxford by a spectrometer using a nuclear technique (atomic absorption). The method needs a small sample drilled from the core of the object.

X-ray flourescence (XRF) also detects composition. It is slightly less fine than atomic absorption, but as it pinpoints a spot with X-rays, it does not cause damage to the object — museum directors prefer XRF. Combined with a scanning electron microscope, it will analyse the different pigments and layers of a painting, or the different enamels in a cloisonné vase.

We reach fascinating and basic questions. How did the Sienese painters know their colours? How did an ancient glazier switch from iron to manganese for black faience? Or the Swiss make true glass in the 1100 BC to 900 BC centuries? The scientists can now reveal glimpses of what was happening, in technology, trade and wealth; and they show that early people were far better craftsmen than we used to think.

Oxford's AMS carbon dating shows that they were also better farmers, earlier. Dating the first agriculture in the Near East, or the first domestication of animals, or the first men in America, are all AMS programmes. But AMS is equally a national resource that dates the contents and tissue of Lindow Man's stomach, for example, or the leather used to re-bind the Domesday Book.

It is not useful after 1500 BC, which means that the laboratory is not besieged by people with questionable Stradivari, but it can help with Chinese silks, and is the only way to date very small samples.

It has dated a Belgian flint arrowhead from the resin still adhering, and a birch bark cup from Germany—a rare find—as 9,000 years old. AMS needs only a tiny scrap. A date costs £800, and 57 countries have sent samples. Oxford's goal is 1,000 samples a year.

Another efficient, accurate service at Oxford is TL dating. TL works on the principle that, as a mineral such as quartz is heated, it emits light. The light represents the release of energy, stored at trapped electrons in minerals. That energy was acquired by absorbing nuclear radiation. Measuring the TL will allow absolute dates, with a margin of error of only about 10 per cent.

TL does wonders for very early man, where carbon dating runs out. It has dated Middle Palaeolithic burnt flint from France to 80,000 years ago, and Upper (later) Palaeolithic from Morocco to 27,000 years ago. And the method has been reversed to Hiroshima and Nagasaki, where the date of 1945 is known, but the real amount of radiation was not.

Financed by the US Department of Energy, the laboratory measured the TL in the quartz of bricks and tiles a kilometre from the epicentres. That showed how much radiation had been absorbed—more than was first thought. Since the cancer incidence is also known, this gives an empirical relationship of exposure to disease. It could not be more important for working out the risks to nuclear power station workers.

Oxford's TL authenticity testing has worldwide esteem; 15,000 pieces have been tested, 40 per cent of them Chinese. Overall, 40 per cent have turned out to be fakes (because they do not have the right TL for their age). The US and Paris are the best customers; reliable results represent profit.

But one must know exactly what piece is being sampled. Long ago the laboratory decided to see every piece and do its own drilling (in an inconspicuous place). Before that, one shard could be sent in, tested and found genuine. Then it might grow into a pot!

The laboratory is funded roughly half from the University, and half from SERC grants and authenticity testing. Professor Hall and his deputy, Professor Martin Aitken, both retire in a few years' time. What then for the Laboratory? They wonder how their betwixt-and-between status will change. They are listed under Archaeology in the professorial roll and not under Physical Sciences.

As I left the laboratory, a dealer called from Paris about a Chinese terracotta female figurine. He was told: "The lady is good."

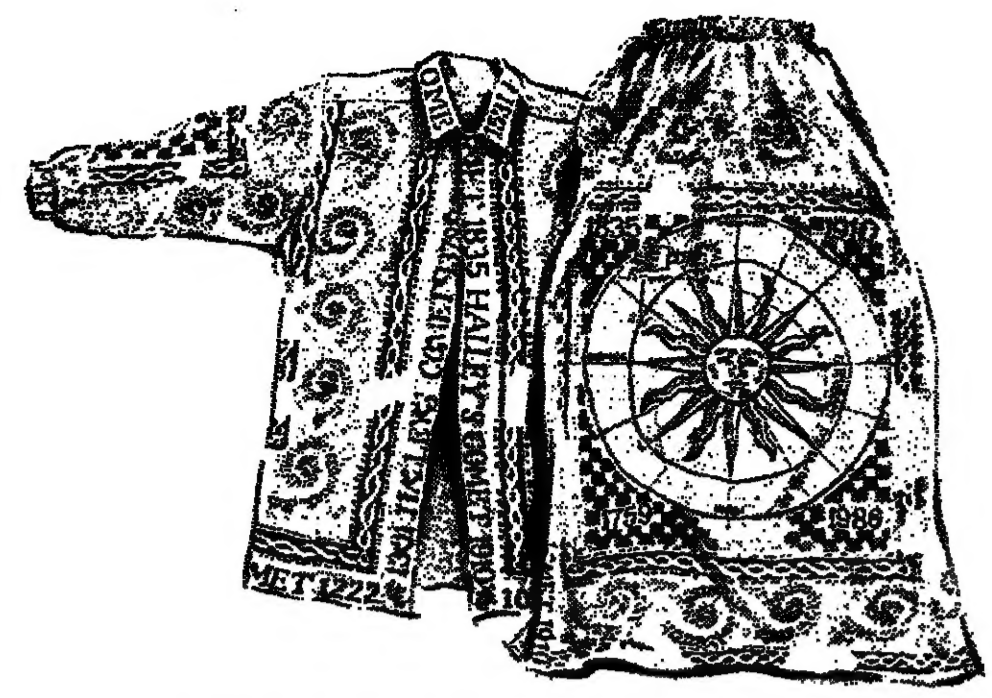
Eccentric, eclectic and electric

Drawings: Margaret Keedy

Left: A typical Eccentrics textile design — bulls and bears — has been turned into luxuriously soft silk boxer shorts (about £25). Available, too, in cotton and lots of different prints and colours. Other stockists: Harrods at Knightsbridge and Janet Fitch, 2 Percy Street, London W1. The silk tie (£22) in dark brown and white (many more colours are available) features some of the classical motifs beloved by designer Helen Littman. Also from Harrods, Liberty of Regent Street, Janet Fitch and Paul Smith, 43/44 Floral Street, London WC2.

●

RIGHT: Pure silk shirt in the famous Halley's Comet print, £120. Can be worn by either sex. I like it best in soft beige, grey and cream but it comes also in other colourways. Pure silk skirt, small or medium, in the same design and colourways as the shirt, £120. English Eccentrics shop only.



Lucia van der Post

HOW TO SPEND IT

The trio behind English Eccentrics—left to right: Judy Littman, Claire Angel and Helen Littman

ENGLISH ECCENTRICS, a label that a small group of people have been following ever since it first started selling its memorable fabrics in west London's Kensington Market in 1982, is about to make itself accessible to a much wider market.

On September 5 it opens its own shop at 155 Fulham Road, London, SW3. There, faithful devotees of the English Eccentric style will be able to buy more than just a length of fabric or a scarf featuring Halley's Comet. Silk boxer shorts, sensuously soft evening scarves, ties, skirts, shirts, raincoats, shoes, scent, wrapping paper—anything, in fact, that takes the fancy of the English Eccentrics team. None of them would ever make or sell anything that they didn't want to wear, own, or look at.

It is this highly personal, idiosyncratic approach to design that gives English Eccentrics its strong sense of identity. Formed from a trio of like-minded designers—Helen Littman (textile designer), her sister Judy (in charge of knitwear) and Claire Angel (responsible for shapes)—English Eccentrics took its name from Edith Sitwell. (It could hardly be more fitting: intensely English, intensely idiosyncratic, memorable, English Eccentrics is incapable of producing anything tasteless, banal or run-of-the-mill.)

It started as a textile company, with Helen Littman producing her innovative fabrics in electric patterns and colours, often using themes drawn from a mythical, allegorical past, sometimes with mystical, supernatural overtones. It turned to making clothes when it saw how tentatively and conservatively Helen Littman's fabrics were being used by others.

Today, English Eccentrics oversees everything from the first design of the fabrics to the finished product. The result is as strong and clear an aesthetic entity as I've seen anywhere.

It uses only the finest fabrics (usually silks or cottons, but some linens as well), and its attention to detail is painstaking. Anybody wondering what on earth all this is about should hurry along to the shop. It is a superb source of presents for men; the range of pyjamas, shirts, boxer shorts, ties, handkerchiefs and scarves, manages to be at once original yet not alarming; looking new, and yet retaining vestiges of classicism. I think they will be a wow.

For women, look out for the soft silk skirts and shirts, the huge silk scarves in magical *prints and soft colours, for* soaps and wrapping papers and fabrics by the yard.

Design enthusiasts will be interested in the shop's interior. "Imagine a black and chrome shop on an ocean liner which sinks, and then, years later, is washed upon the *shore,"* is Helen Littman's description of the effect Oliver Lockell has achieved.

Those who can't make it to the London shop might like to know that English Eccentric clothes are also sold through Cruise, 39 Renfield Street, Glasgow, Scotland; Pierrot, 2 The Square, Richmond, London; Shrimp, 6 Baker Street, Weybridge, Surrey; Trapeze, 50 Regent Street, Cheltenham; Lisa Sterling, 21 Bridge Street, Chester; and Willy's, 15 Lower North Street, Under the Iron Bridge, Exeter, Devon.

Lady Florence Hardinge

So few wooed by so many

I DON'T know how many high-flying women there are who go short of time in which to spend their "telephone - number" salaries, but never before have so few been wooed by so many. They are the Number One target for a wide variety of up-market shops and fashion consultants who see them as a forlorn band, over-paid but under-dressed—able to read bottom lines and discuss reverse take-overs but unable, poor dears, to choose a decent skirt.

From Wardrobe's Suzy Faux, to Harrods' newly-appointed wardrobe adviser, from Options at Austin Reed to Caroline *Charles own shop in Beauchamp* Place, hours and services are being tailored to take account of busy women's needs.

Newest help of all, though, is the computer. (I can't help asking: what took it so long?) It took an ex-City high-flyer, accustomed herself to bottom lines and scrip issues, to see where the future lay.

Florence Hardinge is a chic charming Frenchwoman who worked in the Royal Bank of Canada and married Lord Hardinge, *then chairman* of Orion Bank. She knows all about the pressures and problems of busy working lives. She found, when she worked at the bank, that she had great difficulty in getting her wardrobe together, and she noticed that most of the women around her weren't dressed as well as she felt they could be.

It wasn't until she found herself widowed, and without a City job (she left to be with her husband when he became ill) that the idea of a computer-based fashion consultancy occurred to her.

The idea behind the consultancy is that, with an annual charge of £125 a year, she offers a preliminary personal advisory session at which she gets to know the client a little and takes down details of measurements, life-style, dress-style and what kind of help might be welcome. After that the customer can ring up at any time and say: I need a little black dress, or a new winter coat; and knowing her measurements, preferred style of dressing, and personal good and bad points, the computer will throw up suitable little black dresses or new winter coats. It will give the price and check on its availability.

In the course of my test-case consultation we tracked down a little black dress suitable for women of 5 ft 2 in who aren't as thin as they would like to be. The answers came from

Tracked down by Lady Hardinge's computer—a sleek city suit for winter by Jean and Martin Pallant.

Caroline Charles in Beauchamp Place, Roland Klein in Brook Street, Jean and Martin Pallant in Thames Ditton, and Arabella Pollen on the Avonmore Trading Eastate.

For those who really are shorter on time than money, *Lady Hardinge offers many* ancillary services. She will come to the office, organise deliveries of clothes, arrange viewings of Paris couture collections on a video, and deal with subsequent orders and fittings. All these services are extra, but up to six consultations a year are included in the basic £125 a year charge.

If you are short of time, have a four-figure sum to spend on your clothes, and would like help and advice, then I can hardly think of a more sympathetic person to go to than Florence Hardinge. Contact her at 5 Somerset Square, Addison Road, London W14 (Tel: 01-602 8623).

For those who have designer tastes, but aren't earning "telephone number" salaries, London Clothesline may be more their line. This, too, is computer-based and for a yearly subscription of £35 a year you are sent, eight or 10 times a year, a computer print-out of what designer label clothes are available where—*at less-than-retail* price.

Into the computer go all the details of where cut-price designer clothes can be bought, whether showroom samples, end-of-lines, or simply excess production.

In addition, if you have fallen in love with, say, a Jean Muir, and simply can't afford the full retail price, then for a search fee of £12 a time the London Clothesline will do a special search for you

Normally the clothes on the print-out are available at prices which work out about 50 per cent cheaper than usual retail prices. So, if you're lucky, you ought to be able to recoup the annual subscription with your first lucky buy.

If you think this could be the answer to your fashion needs, contact The London Clothesline at PO Box 93, London SE23 3XS (Tel 01-291 4378).

L v.d. P

Food for Thought

The replete angler's fare

"I LIKE A wee omelette, some chanterelles and a glass of wine for ma' lunch," said Alec, the ghillie. Perhaps times are changing, after all. You wouldn't have heard that 10 years ago.

It has been a very good year for chanterelles in Scotland, apparently, and for cepes, too. According to reports, the hillsides have echoed to the triumphant cries in French, Italian and Walloon, as visiting foreigners have gathered in the harvest. Indeed, my most productive moments of three fishless days on the Spey were spent scrambling about, filling my hat *with the butter-yellow*, waxy fungus, to be fried in butter and served as a first course at lunch.

It's a pity that there was no fresh salmon to complement them, but we finished off with a happy pudding of the most delicate and delicious wild raspberries picked on the river bank. Personally, I can take quite a lot of this life in the wild.

Of course, it might suggest to some unkind souls that we didn't catch any fish because we spent too much time hogging it and coping with the after-effects.

It is true that, had you wandered up the Tulchan B beat this August you might have been struck by the numbers of waders projecting from beneath the bushes and out of the long grass, and you might have come to the conclusion that what you took originally to be the murmur of innumerable bees was, in fact, the muffled snores of the happy angler.

But when you have been as comprehensively humiliated as we were, and there were far finer fishermen than I about, by salmo salar and salmo trutta, then recourse to a plate of chanterelles, a bottle of Sauvignon de Touraine and the arms of Morpheus is about all that's left to you.

There are those sportsmen who rely on the packed lunch that the hotel/spouse/friend has dutifully made up for them; ham sandwiches made from old *ham with the texture of damp* chipboard; beef sandwiches whose resemblance to carpet underlay only a fiery dose of mustard makes tolerable; hard boiled eggs—ye gods—that clog up the mouth and repeat on you as regularly as the Greenwich Time Signal, and a lump of gravel and grit that passes under the general description of "cake." Oh, and an apple that like as not will be a Golden Delicious. Did ever reality so belie the name?

Sadly, I report that our packed lunches did not even *reach this meagre standard*. One of my companions, a side of beef a day man, peered at what was placed before him in dismay, and wondered if someone was playing an elaborate practical joke on him.

His point, if I may paraphrase it, is that if you are going to stand chest deep in the turbulent waters of the Spey, pounding out the Stoat's Tail 20 or more yards with the old 15-footer, you need more than a sliver of spam, a few lettuce leaves and a Twix bar to do it on. You need—well, what do you need?

I would contend that the first thing you need is a drink. A couple of bottles thoughtfully popped into the river before kick-off or a few tins of beer treated likewise, can do wonders for the shattered morale.

Then, *failing the chanterelles* stewed in butter in the sensibly provided frying pan over a small fire, turn your attention to the morning's catch. "The morning's catch," he says lightly. "Ah, fools, I, too, have had my hour." Two brace of wild brown trout before mid-day and nothing under 14 ounces.

It is a sad fact that the trout eaten within two hours of being caught is a different mouthful from that which is *eaten even four hours, let alone* 24 hours, later. Those of you who want to find out just how

sweet and toothsome a trout can be will have to catch it and cook it there and then, frying or baking it beside whichever river, burn, loch or lough you choose. Such practice is probably frowned on along the manicured reaches of the Test and Kennet, so get thee to the wilder shores of the North and West.

Failing chanterelles and fish which has been known, we are forced to desperate straits. However, the true gourmet fisherman will not be dismayed. He will cheer his despondent companions by extracting from his bag half-a-dozen or so lamb chops, a kidney or two, and a chicken's thigh for the delicate one of the party. A carefully constructed fire, a bit of chicken wire and, hey presto, the rustic barbecue.

In a trice, the lamb chops will be a heavenly charcoal black on the outside while raw and bloody within, the kidneys will be reduced to superballs *and the chicken's thigh*—I think the chicken thigh fell through the chicken wire.

So you might not be into carbon, blood and rubber. The sensible fisherman will have covered himself by bringing a pie, a large pie. You can't go wrong with pie, can you? Good, solid fare, pie. As long as there's enough to go round, that is. Solomon couldn't come up with a satisfactory solution to the great last-piece-of-pie problem. But at least we've laid the *foundations, for here is the* nub of the problem.

What outdoor sportsmen need above all is bulk, something that will sustain him or her through the long watches of the post-eating period before the next meal. (The same is true of breakfast, incidentally.) At a pinch, half a cold chicken might do instead of the pie, but forget about anything less. A tomato or three is all the vegetable garnish you need.

Then, while your digestive system is reeling from the pie, batter it into submission with a doorstep of fruit cake, not the grit and gravel commercial variety, but the rich-and-fruity, heavier-than-a-doorstep variety, baked by caring spouses. Finally, I recommend a good sized lump of fudge from the Toffee Shop in Penrith and a slug of malt Scotch in place of the coffee and petit four.

Now, where's Moby Dick?

Peter Fort

Time to sound the retreat

TELL MOST people that the pressure has got too much for you and you're going off to a retreat and they will look at you in surprise. Retreats are generally thought to be silent monastic cells. Indeed, some are.

Others, however, have been *quietly changing* their image, which may explain why the National Retreat Centre has been getting an increasing number of inquiries. Although essentially for spiritual reflection, many now also offer painting, poetry weeks, yoga workshops, arts and crafts.

But the main thing they offer timed commuters and over-worked executives is peace. Their advertisements in Vision, the journal of retreats, have quite a range. *One* in Windsor offers a drop-in-day (where you can "walk into quietness, relax and contemplate in the silence, or read, draw, write and pray, and be at peace").

One in Helston Cornwall, has a "17th-century stately home with its own private chapel, situated in extensive beautiful grounds near the Helford river." A Somerset retreat offers a week devoted to "Shakespeare's Christian values," while one in south Yorkshire has "a small chapel, pleasant garden, with separate room for painting, crafts, relaxation, activities and working."

Whether you go for a Quiet Evening a Quiet Day, a weekend, or a week is up to you; so is your choice of an Anglican, Catholic or Methodist Retreat. There are now over 200 retreat houses and centres in Britain.

I wanted somewhere not too large, within a couple of hours' drive from London. The National Retreat Centre suggested the Priory of Our Lady of Good Counsel, at Sayers Common in West Sussex.

Turning off the busy Brighton Road to the green countryside around the Priory was calming in itself. The priory community, although a 14th century order, only moved to the newly-built monastry and pastoral centre some ten years ago. But the strikingly modern buildings, of glass, wood and bricks, including a church in the shape of an oast house, blend into the setting curiously well.

For one used to checking in at busy hotel reception desks, it is almost disconcerting to be greeted on arrival by a single smiling nun in white garments and black veil. She took me to a small, comfortable, cell-shaped bedroom, which looked out on to an unending view of the Sussex downs. The thick wooden door closed noiselessly behind her; there was no lock or key in it, no sound to be heard anywhere.

The times of meals and church services (voluntary attendance) were on a table. I went out into the original old house, round which the centre was built. The waiting nun asked if I would like mid-morning tea *or coffee, and* showed me a small kitchen where I could make it. "Would you have the kindness to wash your cup," said the sign on the wall.

I was asked if I would like to see the library which I half anticipated would be full of monastic tracts. I was wrong. The books ranged from Alice In Wonderland to Dick Francis *and I settled there happily*.

Lunch in the high-ceilinged dining room, cooked by the nuns, was served by two young German women who do so in exchange for English lessons from the budget-minded nuns. It was mid-week and whereas the weekends are often booked up with groups, there were then only three other people staying at the retreat.

One young man, a graphic designer, had come for a week to get over a spell in hospital, to get his thoughts on work back together again. There was a woman deacon, who came there for ten days every year. And there was a businessman, who lived and worked in Surrey, who had just come down for the day.

"I come here about four times a year," he said. "I get to the point when a day here is the only thing that saves my sanity. I find the atmosphere incredibly tranquil. I get here about 9 am and can hardly wait to turn in the gate." He had spent most of the morning walking: the Priory is set in the midst of farming land.

After lunch three of us drove up, inappropriately perhaps, to Devil's Dyke, high up on the downs. Returning, we decided to go to the Priory church. "I'm not particularly religious," said the businessman, "but somehow it ends my day: it's uplifting, the singing of the nuns and the amazing shafts of light through the slats."

The graphic designer said that the first retreat he had been to the previous year had been a much larger one; there was sometimes country dancing in the evenings, and he had been taken aback to be asked to dance by a nun.

Evenings at the Priory are quietly spent in the TV room, the sitting room, or your own room. You could, of course, go out, but there is no point in going to a retreat if you treat it as an hotel. It's for solace of the spirit, not social outings.

Having gone there in my usual exhausted state, I came back to London considerably rested, intent on making a return visit. To keep me going meanwhile, I bought a stock of the nuns' lemon balm tea, "For nerves, nightmares, fevers, and calming the mind."

● *The National Retreat Centre is at 24 South Audley Street, London W1Y 5DL, 01-493 3534. The Priory of Our Lady of Good Counsel is at Sayers Common, Hassocks, West Sussex BN6 9HT. Hurstpierpoint 832901. Daily cost, full board, at the Priory, £12 plus VAT. A stay of at least two or three days is preferred.*

Joy Melville

Nicholas Woodsworth on Henri Matisse, who influenced art from hotel suites

Rooms with views

HIGH OVER a sea too blue to be English, in a sunny land that was never part of Empire, stands a palace built for that most imperial monarchs, Victoria. British royal crowns embellish its woodwork and plaster; serried ranks of palm trees stand guard at its entranceway; a marble staircase wide enough for a dreadnought rises from its huge central hall.

But Victoria never ruled from here. Instead a rotund little man with a white beard, unable to walk, reigned from his bed.

Never was court so unroyal. The invalid's only courtiers were the masks, vases, statues, paintings, gourds and jugs he carefully arranged around him. His sceptre was a six-foot-long bamboo pole with which he drew on the walls surrounding his bed. He exercised power only on iamges painstakingly created from oils and bits of coloured paper. Henri Matisse's rule extended from the palace throughout 20th century art.

Matisse took up residence in the Hotel Regina in Nice in 1938. Built at the turn of the century when, for her health, it was feared that Queen Victoria would have to spend entire winters on the Cote d'Azur, the palace subsequently became one of the most lavish hotels along the French Mediterranean coast. The Regina, for decades, was a temporary home for a large number of upper-class Europeans spending the winter "season" here. Genteel strolls along the Promenade des Anglais, receptions in magnificent suites, and evenings spent in ballrooms and casinos were their daily routine.

For Matisse, though, the Regina became a permanent home. No suite was more magnificent than his. Cooing pigeons flew freely from one enormous room to another. In one large chamber, thick tropical vegetation reached towards the ceiling, watered automatically by an ingenious sprinkling system. In another, cages containing over 300 birds imported from Asia and Africa crowded the walls. In the "chambre claire" there was nothing — it was kept empty but filled every day with pure, clean, Mediterranean light. In sensual splendour fit for an Eastern potentate, Matisse from his bed or wheelchair surveyed the view of Nice and the sea beyond it, talked to his birds, and tended his plants. More important, he painted.

Left: The Hotel Regina in Nice, where Matisse lived. Right: Detail from his 1926 work, "Decorative Figure on Ornamental Background"

Matisse's unique decorative style sprang from years spent in the opulent atmosphere of Nice's grand old hotels. He had come first to the south of France as a young man, at the turn of the century. A northerner from grey, rainy Picardy, he was bewitched by Mediterranean light. In the fishing ports of Collioure and St Tropez he began upon what he later called his "rediscovery of expression in colour." His exuberant style of free brushwork and imaginative use of bright, complementary colours, so shocked the critics that they christened the followers of the new style "fauves"—wild beasts.

Fauvism—the first avant garde art movement of the 20th century—was only a first step for Matisse in developing the style for which he became well known. Retaining throughout his life a fascination for colour and light, he disciplined his brilliant palette, and by the First World War had largely abandoned landscapes in favour of secluded interiors. "What I dream of," he wrote, "is an art of balance, of purity and serenity, devoid of troubling or depressing subject matter, an art which could be. . . a soothing, calming, influence on the mind." It was Matisse's genius that, using the hotels of Nice, he was able to transform what might have been anaesthetic art into great art.

Moving from one place to another, living out of a suitcase, he discovered that the impersonality of rented accommodation provided the perfect setting for the making of his personal, placid, unreal world. Nice's hotels also gave him an ideal environment in which to reconcile the two artistic imperatives that dominated him: the portrayal of intimate subjects—usually female nudes—and the creation of an art form that was abstract and decorative.

Matisse posed his serene nudes in plush interiors. Luxurious fittings and fabrics provided an abstract complexity of colour, line and texture. Of the Hotel de la Mediterranée, a sea-front hotel (today undergoing renovation), he wrote: "I stayed there for four years for the pleasure of painting nudes and figures in an old rococo salon. Do you remember the way the light came through the shutters? It came from below like footlights. Everything was fake, absurd, terrific, delicious." (So much was going on on the Promenade des Anglais outside that sometimes the only way he could keep his models still was to allow them to pose standing at the window.)

Like Renoir, whom he admired and occasionally visited in his nearby home in Cagnes, Matisse was preoccupied with the female form. While interested in portraying its substance — he admiringly compared the breasts of Antoinette, one of his favourite models, to "two litre bottles of Chianti" — his real challenge was to capture through it "the ideal and the particular" in the personality of his model.

He wrote, in 1939: "The emotional interest aroused in me by them does not appear particularly in the representation of their bodies, but often in the lines or special values distributed over the whole canvas or paper, which form its complete orchestration, its architecture. It is perhaps subliminated sensual pleasure, which may not yet be perceived by everyone." Perceived or not, Matisse's work contains a degree of harmony and beauty that comes only from some sort of inner transformation.

A virtual invalid in 1941, after an abdominal operation. Matisse moved out of the Regina in 1943 when it was feared that the Allies would bomb Italian-occupied Nice. In 1949, at the age of 80 he moved back into its large high-ceilinged rooms for a final four-year stay, to design the crowning achievement of his life, the Dominican Chapel of the Rosary.

Working from his bed, he designed everything—down to the silver chasubles—to scale, using his six foot pencil to draw on the walls around his bed. The Chapel was built, and may be visited, in the nearby hill town of Vence.

Matisse and his menagerie have long gone from the Regina, now home to a few elderly ladies who took rooms there when it ceased to be a hotel. The only tropical plants are a few tired-looking cacti in a dusty, glassed-in palm court.

The Regina will have a face-lift only when it is developed as a co-operatively owned apartment building. But its calm elegance may still be found in the serene realm created on canvas by Henri Matisse.

Art for the executive

BUSINESS ART has come a long way from anodyne boardroom portraits and limited edition prints in clip-on frames. When the Barbican Art Gallery presented "Capital Painting" in 1984, the collections belonging to City institutions came as a revelation to most visitors—not least the extent to which contemporary art was being commissioned and collected.

Over the past decade, more and more businesses have become aware of the promotional value of art, and its role in the creation of an appropriate business image. After all, before the sale of Van Gogh's Sunflowers, who had heard of the Yasuda Fire and Insurance Company?

On Thursday, a three-day contemporary art fair, Art '87, opens at the Business Design Centre in Islington, north London, the first such art fair aimed specifically at the business community. Its organiser, PEL Communications, has no experience in the art world. Its approach has been to target the market carefully, identifying 20,000 potential clients from 2,000 corporations, city institutions, the service industries, and architectural and design practices. Named invitations were sent out. Six hundred contemporary galleries were approached.

They offered exhibitors an excellent venue, space, high quality screens and lighting, and a catalogue that will serve as a reference book. Its introductory essays cover the rationale behind corporate art, the work of the Public Art Development Trust, and recent examples of developers' art, such as the jazzy Hammersmith Man leaning out of Queen Caroline House to wave at bored commuters.

"Our job is to make it easier for those companies who have considered buying art but who do not have a relationship with a particular gallery," explained Lorraine Hall, of PEL. "Visitors will see a wide range of contemporary work, from watercolours and oils to silk hangings and sculpture. If we could not have offered such a wide variety, and had less than 30 exhibitors, we would not have gone ahead. It would not have been in our interests, or the galleries'."

Her overriding difficulty was not in persuading gallery owners that the fair was a good idea but persuading them to come off the fence. The cautious response of many leading dealers was to say that they would wait and see who took a stand this year and then decide about next year.

With a modest 35 exhibitors, Art '87 is still larger than this year's Bath Contemporary Art Fair, which had record attendances. The International Contemporary Art Fair at Olympia is not taking place this year. Islington exhibitors range from well known West End names to new or provincial dealers, and even artists themselves. For the three galleries coming down from Scotland the fair provides a useful shop window.

Diana Springall, who has made a number of decorative textile wallpanels and hangings for corporate clients, feels that it provides an excellent opportunity to advertise and meet clients. People can just come and look.

"Dragonfly," a sculpture by Tom Merrifield to be shown at the Art '87 fair

Many of the galleries already have established business clients. The oldest specialists, Business Art Galleries, was set up by the Royal Academy in 1978 as a means of promoting contemporary British art to companies. Now independent from the RA, but still with close ties, and from new premises in Windmill Street, the gallery offers advice on commissioning, regular exhibitions and a rental scheme with an option to purchase.

"Selling art to businesses has only recently acquired a respectability," commented Kathryn Bell. "Art galleries in this country are beginning to come round to the idea of corporate clients." The turning point in the business came in 1982-83 when the gallery's turnover doubled. Now it has 1,000 business clients.

The new art-speak reveals that British attitudes are catching up with American practices. The era of "corporate art" and the "art consultant" is upon us. But while an American company would automatically appoint an art consultant along with a designer when building or refurbishing an office, there is no regular procedure in this country. About 80-90 per cent of the people Lorraine Hall contacted had no idea who was responsible for buying art within their company. The responsibility may rest with the man who buys the photocopying machines, or with the personnel manager or company lawyer, or is a decision made by the board of directors. Business clients often become private clients, and the fair is also catering for private collectors.

Bernard Jacobson is the only dealer from Cork Street, the core of the contemporary art trade, to take a stand at Art '87. "It's a great shame that no other Cork Street galleries are represented," admitted the gallery's Timothy Taylor. "The impact of the fair would be far greater, and the quality would probably be better. We are going to look terribly expensive in contrast."

Both he and William Jackson, of the long-established The Scottish Gallery, feel the quality of the galleries taking stands is important. This year there has been no independent vetting committee for Art '87. But to Nicholas Treadwell, another veteran of the art fair circuit, it is a big plus for the fair that there is no vetting committee. "Dealers tend to look after their own interests." He believes one reason why there was no art fair in London for many years was that Cork Street thought it was a fair of its own. "London needs a well-organised contemporary art fair, and art fairs need to be electric."

He welcomes PEL as enthusiastic newcomers, and has given the fair his full support. "I don't have great faith in the first of any art fair—and few exhibitors will probably get their money back. But there is always a chance that it will lead to something really necessary and important. Look at the Paris contemporary art fair. I went along to the first fair in 1974—it had a seedy venue and a lot of little commercial galleries. Today it has more visitors than any other art fair in the world. Last year 120,000 people went, including the president of France."

Will Mrs Thatcher be attending Art '88?

Art '87 is on at the Business Design Centre, Islington, Thursday, September 10, 10 am-8 pm; Friday, September 11, 10 am-6 pm, and Saturday, September 12, 10 am-4 pm. For a complimentary ticket telephone 01-900 1234.

Susan Moore

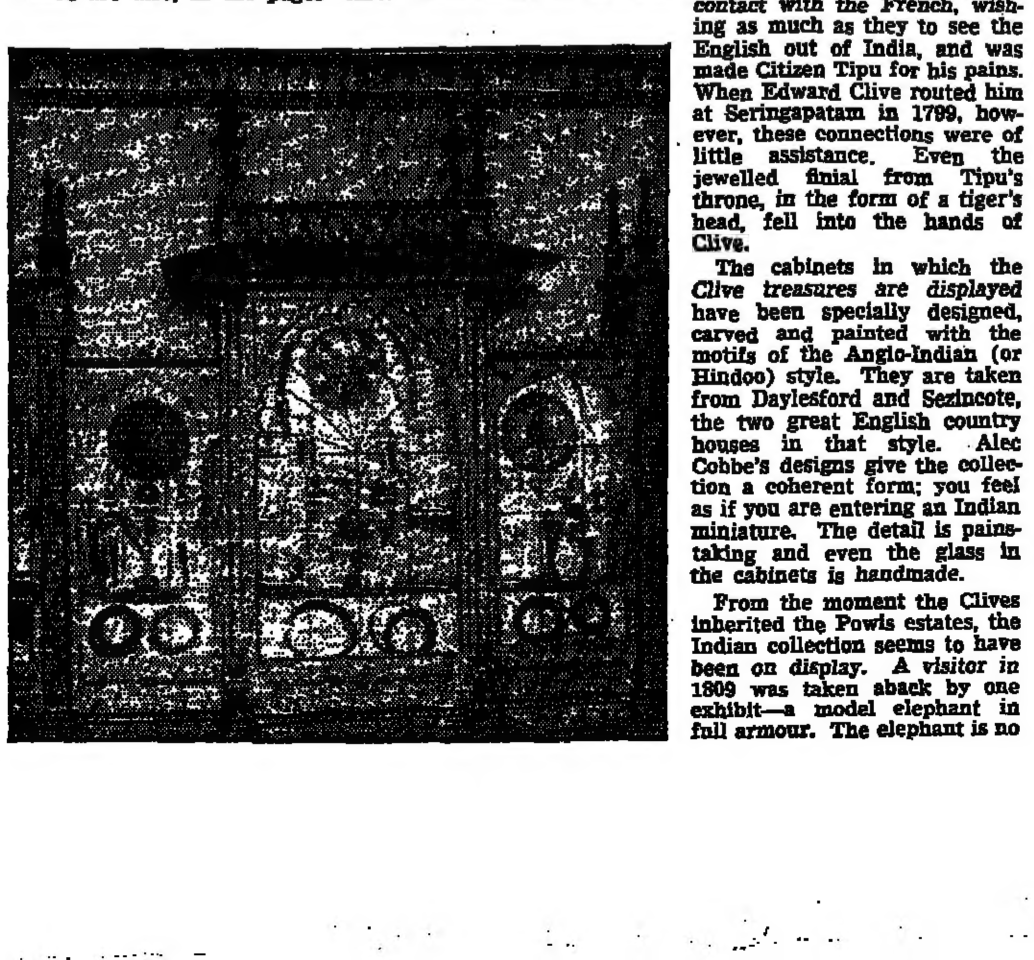
Clive's curiosities

IT WAS an odd sequence of events that brought the finest collection of Indian artefacts in Britain outside London, to Powis Castle in Welshpool on the Welsh Borders. It involved, on the one hand, political patronage for an ambitious multi-millionaire and, on the other, the settling of debts for an old aristocratic family. Robert Clive (Clive of India) was the rich man, the Earl of Powis the impoverished aristocrat. In the next generation, Edward Clive (Robert's son) married Henrietta Herbert, the Earl's daughter, so that, neatly enough, the families ended up united by marriage rather than by indebtedness.

The treasures that make up the Clive Collection were amassed by both father and son, as well as by Edward's discerning and cultured wife who appears to have revelled in the culture of the country in which she found herself. The tale of Lady Clive and her daughters' journey to Seringapatam to see the relics of Tipu Sultan's capital, thanks to her husband now firmly in British hands, is of a royal progress. There were 750 people in the entourage and the harp and the pianoforte went too, in order that the young ladies could practice their music on the 1,000-mile trek through southern India. Her husband remained in Madras, where he was governor.

The display at Powis takes the form of cabinets of curiosities which is perfectly suited to the nature of the Clive Collection, mostly small objects of great intricacy. By filling the cabinets with ivory games, scabbards and hookahs, textiles and paintings, the visitor is given a glittering view of the level of Indian craftsmanship, as well as a glimpse of the great affluence of a figure such as Tipu Sultan.

There are also, in the pages of an excellent catalogue, insights into the social habits of the Indian nobility. Once the pan set appeared (that is, the apparatus for preparing the betel-nut *digestif*) the signal had been made that the guests should consider their departure. An interest in the artefacts of the country, then, could also help with etiquette.



Although the majority of the objects on show are Indian made, there is also a selection of European works of art including a Sevres set of cups and saucers, presented on a visit by Louis XVI's representative. Tipu Sultan remained in close contact with the French, wishing as much as they to see the English out of India, and was made Citizen Tipu for his pains. When Edward Clive routed him at Seringapatam in 1799, however, these connections were of little assistance. Even the jewelled finial from Tipu's throne, in the form of a tiger's head, fell into the hands of Clive.

The cabinets in which the Clive treasures are displayed have been specially designed, carved and painted with the motifs of the Anglo-Indian (or Hindoo) style. They are taken from Daylesford and Sezincote, the two great English country houses in that style. Alec Cobbe's designs give the collection a coherent form; you feel as if you are entering an Indian miniature. The detail is painstaking and even the glass in the cabinets is handmade.

From the moment the Clives inherited the Powis estates, the Indian collection seems to have been on display. A visitor in 1809 was taken aback by one exhibit—a model elephant in full armour. The elephant is no more and the museum was packed away late in the 19th century. It has been largely unseen until now.

The Clive Collection is shown in just two rooms; one the cabinets of curiosities, the other a reconstruction of Tipu Sultan's painted chintz-covered state tent, with his carved sandalwood throne. The Billiards Room, which has now become the museum, formerly housed a fine collection of stuffed birds, which are now to be found at the end of a tour of the house.

In the past, Powis has been an undervisited house; its magnificent terraced gardens are not as widely known as they deserve to be, but now the combination of attractions will ensure that it draws a larger public. This new venture illustrates the potential of National Trust houses for specialist displays. The idea of showing paintings from the National Portrait Gallery of appropriate period at Montacute and Beningbrough has worked well and suggests avenues for future development. This exhibition was largely financed by a single bequest and, of course, the collection was already awaiting display, but if other joint ventures could be set up, it presents exciting prospects. Perhaps some of the V&A's unseen treasures might be the next candidates. . . .

*Powis Castle (tel: 0938 4336) is open from 12 to 5 pm, Wednesdays to Sundays, until the end of October, when it closes until Easter.

Gillian Darley

The house of blood

ALTHOUGH Hammer Film Productions was officially formed in 1947, its origins go back to 1913, when a young Spaniard named Enrique Carreras, whose family had settled in London after years of trading in tobacco, bought the first British maximum audience capacity cinema in Hammersmith, which he called "The Blue Hall," setting in motion a number of "firsts" which were to continue throughout the years to come.

Carreras, aware of a war-weary public hungry for entertainment, seized the opportunity to build a chain of "Blue Halls" in London and Brighton.

Meanwhile, somewhere on the boards, again in Hammersmith, a little-known comic was trying out a double act. William Hinds, working under the stage-name of Will Hammer had teamed up with a partner, predictably called Smith.

Although Carreras and Hinds had spent a great deal of their early working lives in Hammersmith, it was not until the mid-thirties that fate decreed they should meet, and, from what at first glance seems an unlikely liaison, a partnership was sealed.

After a disastrous flirtation with a toothpaste venture, which left him bankrupt, Enrique Carreras formed Exclusive Films, a distribution company. When Hinds joined him in 1935, initially purely as an investor, the former was busy showing a collection of American Westerns (very unusual in those days for a British company) as well as a number of prestigious Alexander Korda re-issues.

Although Hammer Film Productions was not officially registered as a company until after the war, both men had already decided that they would commission their own productions, as low-budget supporting features. Hinds subsequently contributed his stage-name, Hammer, to head these new ventures so that the two divisions would not be confused, and therefore, technically, the first Hammer film seen in Britain was in 1935 and called *The Public Life of Henry Ninth*, a send-up of the historical Charles Laughton classic, and thought worthy enough to be distributed by Metro-Goldwyn-Mayer.

The Mystery of the Marie Celeste followed in 1936 and in the same year the most successful pre-war Hammer production, *Song of Freedom*, starring Paul Robeson, with Will Hammer himself taking a small role.

When the companies reformed, it really was a family affair, with Enrique's son James, a Lt-Col in the Army (and now Sir James Carreras), William Hinds' son Anthony, destined to become producer and writer of many future Hammer successes, and later on, Michael, son of James.

James Carreras had many of his father's qualities. A salesman who learned early to give the public what it wanted, he tackled the task ahead in a simple, yet effective way. Hammer needed second features so why waste time hunting around when a market existed which was already successfully established.

During the post-war period, the British public were glued to their wireless sets, enjoying programmes like *Dick Barton, Special Agent*, *P.C. 49*, and *Life with the Lyons*, so that when Hammer decided to commit these characters to film, the fireside audiences were able to indulge themselves visually in the adventures of their favourite heroes.

James Carreras swears to this day that these second features brought the people in. He remembers when *Dick Barton* was showing alongside *Robin Hood*, starring Errol Flynn, and a long queue formed outside The Tivoli in the Strand. "As they watched the main feature, the audience was quiet and appreciative, but when the *Dick Barton* music started, a great cheer went up, and you could tell which one they were there for."

With the now enormously prolific output emerging from Hammer, Exclusive slowly wound down, making room for films which were being produced in sometimes no more than two weeks, with budgets as little at £40,000. But for the steadily expanding company, the turning point came in 1955, when James Carreras decided to take another major success from the BBC, this time the sensational Nigel Kneal TV serial, *The Quatermass Experiment*, which, when released, gave the company the international recognition it had deservedly earned.

The Curse of Frankenstein in 1957, the first British horror picture to be made in colour, cost £70,000 and grossed £2,000,000, as did the other gothic triumph "Dracula" in 1958, starring Christopher Lee as the most charismatic Count ever.

Christopher Lee's immortal 'Dracula'

ANN MANN looks at Hammer Films, which has just had a retrospective television season

Hammer's name was now synonomous with horror and would always remain so. It had become the first British Company to make a distinctive type of film which started a world cycle, and it had crashed the American market so successfully that Hammer were making pictures for all the major US studios. In 1968, they received the Queen's award to Industry for three years of production, in which they had brought £1,500,000, in dollars, into the UK per year.

Throughout the sixties and seventies, it seemed that they were as invincible as Dracula himself, and in 1971 reached their peak production period, with 10 films completed within 12 months. But nothing lasts for ever, and the cosy family firm was breaking up. The two old pioneers were dead. Enrique Carreras, peacefully in his bed, while William Hinds, the man who always preferred music hall to motion pictures, killed in a bicycle accident. Anthony Hinds had retired, as had James Carreras, leaving his son Michael with perhaps the most demanding and turbulent years of the firm's history.

When film experts refer to Hammer, they either draw a veil of melodramatic secrecy over its last days of feature film production, or they don't mention it at all. The truth is simple. Hammer went broke. For a company which had never rested on its laurels, but kept ploughing back its resources into more production, and had once naively—and in retrospect, misguidedly—borrowed from the National Film Finance Corporation and repaid in full, it was a humiliating but nevertheless unavoidable experience.

Even the innovative mind of Michael Carreras could not compete with the 1974 financial crash which almost destroyed the British Film Industry. Nor the television audiences which had doubled since the sixties. Also, there were changes within the genre itself. Gothic was out, realism in, and neither Dracula stalking the King's Road nor a powerful Dennis Wheatley plot could challenge American frighteners like *The Texas Chain-saw Massacre*.

In 1980, with the collapse of the last Hammer picture, *The Lady Vanishes*, a well-known industrial company's pension fund which had been its major investor, moved in, dramatically claiming the negatives, residules and most dispiritingly — the name. Since then, the company has been run purely as a television concern from Elstree, by two ex-pen-pushers, although an announcement in the trade press a few weeks ago declared their intention to return the logo to the cinema screen.

Meanwhile, Michael Carreras (who naturally has a son in the business) is also keeping an eye on the ever-changing market, with a view to rising from the ashes, which poses the distinct possibility that the names of Hammer and Carreras could well end up in competition. Something which grandfather Enrique would never have envisaged but more than likely might have appreciated the challenge.

Machaut to Wolpe

THURSDAY'S double instalment of the Birtwistle-inspired South Bank festival was exemplary: athletic, toughly intricate music with hieratic airs, just what you'd expect Birtwistle to admire. It left room for a clever piece in a more "subjective" mode, Anthony Payne's *Alleluias and Hockets*, which carried instant conviction. The latest of the festival's commissioned reworkings of Machaut's "Hoquetus David," it draws Machaut's lines into modern patterns, studded with choral hallelujahs like romantic fanfares.

These invited Machaut-exercises have been continually inspiriting, for composer after composer has responded in best form. The South Bank organisers must find time to assemble them in a single concert: it would be exciting, and much more substantial than the Russian Five's collaborative variations on "Chopsticks," or the *Eventail de Jeanne* ballet to which Ravel, Roussel and some of their juniors contributed. By current standards, at any rate, strenuous ingenuity is more fun.

Payne made sterling capital of the ensemble allotted to him, the quintets of reeds and of brass who were on hand for Stravinsky's postwar Mass. Andrew Parrott conducted the Taverner Choir in a tidy, slightly prosaic performance of the Mass — more tightly sprung rhythms can set its lusty praises and devout suspensions in better relief, and so can the irreplaceable colour of boy-treble voices (good though the Taverner sopranos were) The four-man core Taverner Consort gave us Machaut's imperishable *Messe de Nostre Dame* with conscious art, and (in the circumstances) aptly interpolated movements of John Cage's Clarinet Sonata by the scrupulous Anthony Pay.

Before and after the interval we had Xenakis pieces, superbly played by the cellist Rohan de Saram. Nothing less than his passionate involvement can make *Nomos Alpha* seem a convincing performance—after many hearings, I still think that its theoretical basis remains inaudible, and showmanship has to carry it through. *Kottos* is an earthier study, with an immediate impact like Xenakis's Greek scene-music, and de Saram's account of it was forcefully persuasive.

For a smallish audience of aficionados, the festival mounted a late-evening performance of Stefan Wolpe's *Enactments for Three Pianos*, which is in certain quarters a legendary work. Wolpe was a Schoenberg pupil, and one who developed (through exile in Israel, and then in America) in severely original ways; *Enactments*, which makes cruel demands upon its piano-trio ensemble, was drafted as what Americans would call a "major statement" of Wolpe's later art. Its realisation by Andrew Ball, Clive Williamson and Keith Williams was musicianly enough to indicate the lofty scale of its five movements, but too modest to give it a full-blooded dramatic profile. With repetition, their spidery sketch should burgeon into 3-D colour, and we might discover it to challenge Bartok's great two-piano Sonata.

David Murray

Chess No 687

1 B-K7. If Q-Q7; 2 N-Q4, or if Q-B4; 2 B-Q8, or if Q-B5; 2 Q-R5, or if QxN ch; 2 R-Q, or if Q-R1 ch; 2 N-Q8.

Huston's farewell

Nigel Andrews at the Venice Film Festival reports on the good, the boring and an unashamed tear-jerker

From John Huston's last film, "The Dead"

FILM FESTIVALS are like a combined arrival-and-departure hall in the great airport of cinema. At the same time as waving fond handkerchiefs at the departing old, we are asked to give violent hugs of welcome to the arriving new. Nowhere has this schizophrenic behaviour been more evident than at Venice 1987.

Valedictory events have included a tribute to Cinecitta Studios, 50 years old this year, and a giant retrospective devoted to Hollywood veteran Joseph Mankiewicz (director of *All About Eve*, *Cleopatra* and Co). Subjects for future-gazing include the first year as fest director for Guglielmo Biraghi (late of Taormina) and the unveiling of the first ever feature film shot in high definition video, dubbed the system of the future, *Julia and Julia*.

I reported on the making of this Italian-produced movie recently, after a visit to the set when the film sported the title *Borderline*. Alas, "Boredom Line" would be more appropriate for the finished product. Kathleen Turner, Gabriel Byrne and Sting moon through a ludicrous time-travel plot about a widow re-encountering her late spouse. The anglophone stars look all at sea, the Italian supporting cast is dubbed in almost literally unspeakable English, and the visuals dimly shimmer, as if lit by a failing 100-watt bulb. Lots more work is needed here if this is the shape of things to come as current TV and movie directions almost certainly demand that it is.

Julia and Julia's enfeebled lustre soon gave way to the splendours of *Maurice*. The director-producer team of James Ivory and Ismail Merchant — purveyors of finely-crafted period pieces, most lately *A Room With A View* — have here gone for E. M. Forster again, fastening on his *Roman Maudit* about homosexuality. The film *does not*, definitely not, have the sunny arcadian feel of its predecessor. And some scenes teeter on the brink of the risible, as when coping with Forster's romantic daydreams about gamekeepers. With muddy boots and Somerset accent the virile young scudder (Rupert Graves) shins up a ladder into the master's bedroom in the final reel and—lo!—desires mesh and classes interlock.

But Ivory's brinkmanship here and throughout is masterly. The film has a choked and elegaic yearning that seems wholly faithful to the pre-war period. (Only a few years earlier, Oscar Wilde had discovered that the love that dared not speak its name could sternly spell out the words "Reading Gaol"). And capping Ivory's usual strong supporting cast — Denholm Elliott, Ben Kingsley, Billie Whitelaw, Simon Callow — are newcomers James Wilby and Hugh Grant as the shining scions of Cambridge who graduate into doom-filled romance.

Though the film is faintly old-fashioned, old-fashionedness has been a virtue at Venice so far. The two prime French entries — Eri Rohmer's *My Gorlfriend's Boyfriend* and Louis Malle's *Farewell to Our Children* — are unwaveringly in their respective director's traditions. Rohmer finds another feather-headed young heroine (Sophie Renoir) to push into romance, via acres of dialogue, wind-surfing, cafe-sitting, dating, philosophising and other pre-requisites of the Rohmerian life. The terrain is well-trodden, but fresh charms and surprises still spring up. And Malle's movie is another journey into politically dark-hued boyhood, like his last French film *Lacombe Lucien*. Here he dramatises his own childhood friendship with a Jewish schoolboy eventually carted off by the Nazis. The fresco of life in a 1940s religious school is vivid and often witheringly funny, making all the more poignant, when it comes, the gathering miasma of fear.

No film looks back to the past more pungently than John Huston's last movie, *The Dead*. It looks back not just to the Dublin of 1904 in which James Joyce's original story is set, but to the whole career of this sage old filmic yarn-spinner who kept us entertained for 50 years with everything from Maltese Falcons to African Queens to warring deep-pan Prizzis.

The Dead had almost everyone at Venice with any Irish blood in them going moist-eyed with emotion. Huston's mostly Irish cast (Donald McCann, Donald Donnelly, Maire Keen, Dan O'Herlihy) traverse Joyce's tragic-funny tale of lost dreams, missed love and memories swapped across the supper table. I have no Irish blood in me and the tear-ducts remained stubbornly unsluiced. The film is shot in sackcloth browns and is reverentially stagey. (It was filmed in a California studio except for a handful of location *shots*.) And the central performance by McCann, as the middle-ager who discovers too late his deficient heart, is dismayingly inexpressive. But at its best — as when the soirée's minor characters chime in with a story, a joke, a reminiscence or a shakily sung Bellini aria— the Huston enchantment works. And in the main female role, McCann's wife, Huston's daughter Anjelica carries on the master's torch in a performance of wonderful mischief and magic, quirky range and Celtic poetry and passion.

An emperor's art

Budapest is paying tribute to the memory of Sigismund, reports NICHOLAS PARSONS

Sculpture from the Sigismund Exhibition

IT is fitting that the exhibition on currently in Budapest of *The Emperor Sigismund and the Art of his Time* should be staged within the precincts of Royal Buda; for it was Sigismund who ensplendoured the castle and made it into a glittering international centre of political, diplomatic and cultural significance. Hungary has suffered such devastation since the 15th century that it is a miracle that anything of the period can be retrieved and displayed. Modern archaeology and painstaking scholarship, however, have achieved the apparently impossible, and the results have been cleverly assembled by Ernő Marosi and his team.

Sigismund of Luxembourg (1368-1437) was an extraordinary mediaeval politician and diplomatist who began his career by acquiring the throne of Hungary, was elected Holy Roman Emperor in 1414, added the throne of Lombardy to his collection in 1431, was bizarrely crowned "Emperor of Rome" by Pope Eugene IV in 1433, and finally succeeded in his long-cherished desire to inherit the Bohemian throne from his brother. He was the second son of Charles IV of Bohemia, a member of the Luxembourg dynasty, and his mother was German. His roots were therefore everywhere and nowhere, and he became adept at manipulating interests and alliances in his favour. The Hungarian throne he secured by marriage, and his other titles and possessions by diplomatic guile and the judicious use of force.

Clearly, he was an exceptional man, and the reproduction of his portrait attributed to Pisanello shows a strong intelligent face with a pronouncedly hooked nose — this aspect of him, and the narrowness of his features, being emphasised in the Dürer portrait done from secondary sources after his death.

He began by consolidating his power in Hungary — but at a heavy price for baronial support — and was alert early to the threat of Turkish imperialism However, generalship was not one of his skills, and an attempt to stem the Turkish advance ended disastrously at Nikápoly. His later role as Holy Roman Emperor entangled him in Papal politics, and his ambitions in Bohemia in the Hussite controversy. This led to one of the shabbiest episodes in his career, and one of the most disgusting in the history of the Church; for it was Sigismund who granted Huss a "safe conduct" to come and explain his teaching at the Council of Constance, and who *did nothing to honour his word* when the preacher was thrown into prison, subjected to a mockery of a trial and burnt at *the stake. Huss's death brought* upon the Emperor the undying hatred of the Hussites and stiffened the resolve of those who opposed his dynastic pretensions in Bohemia.

Despite this, and further military failures against both the Venetians and the Turks, Sigismund was astonishingly unsinkable. Plans in the exhibition show his ambitious expan*sion of Buda castle*, including the construction of the magnificent "Friss (ie new) Palace," inspired by the Papal palace at Avignon, which Sigismund had of course visited. Nothing of it now remains above ground level. Building works in 1974 unexpectedly uncovered the remains of what appears to have been a royal sculpture collection. These beautiful late gothic works are the visual high point of the exhibition. They fall into two categories—delicate naturalistic small-scale works in the Flemish/French tradition, and somewhat larger ones of the German cathedral-mason school.

It is noticeable that the features of the faces show in some cases the narrow western-European type, (as in the famous study of a man with his flowing luxurious headgear), and in others the broader flatter Hungarian type of the east.

Between 1412 and 1426 Buda (to which Sigismund had moved his capital from Visegrad) was a diplomatic hub where celebrities such as John Palaiologus VIII and Erik VII of Denmark were lavishly entertained.

The lavishness extended to artistic activity elsewhere in the kingdom — during Sigismund's reign the late gothic Coronation Church of St Michael in Pozsony (now Bratislava) was erected, and a similarly elegant church at Kaschau (Kosice). Thomas of Kolosvar painted his magnificent Calvary tryptich, on loan to the exhibition from its usual home in Esztergom. At the same time, some of the highest quality work of the international gothic style was being done in illuminated manuscripts. There are superb examples on display, such as the beautiful "St Benedict" cut out from an antiphonary, which is clearly inspired by the Limbourg brothess, and is the work of a Bohemian master.

Another example of fine craftsmanship may be seen in the ivory saddle inlaid with allegorical scenes relating to the Order of the Dragon. There was more than symbolic significance in the order, for the official view of royalty was that the King was *primus inter pares* among his knights.

The legacy of Sigismund was significant in terms of politics, and consequently in terms of culture, for Hungary. His quarrels with the popes resulted in a loosening of the grip of the church over ecclesiastical appointments, an independence from the Papacy, and even a lessening of church influence in education. Geopolitically, he abandoned Dalmatia to Venice, thus ending a 300-year-long involvement of Hungary in Adriatic affairs.

Sigismund himself had more of an eye for the symbolic and aesthetic value of splendour than a taste for the pedantries of scholarship. This is well illustrated by his retort to a prelate at the Council of Constance. The cleric complained that the emperor's Latin grammar was not up to much. "Ego sum rex Romanus," replied Sigismund loftily, "et supra grammaticam." ("I am the Roman king, and am above grammar.") *The exhibition continues in the Budapest Historical Museum until November 8.*

Records

Mozart graced

THE compact disc repertoire is being filled out with an alacrity that hardly anyone expected, despite — or perhaps partly because of — the imminent arrival of the new Japanese DAT systems. The latter will initially be so expensive (£1500 is the guess for a domestic machine) that CDs have time yet to establish a broad beachhead: instant obsolescence is not to be feared. This seems a good time to review recent additions to the Classical repertoire.

From Philips come the piano quintets with winds of Mozart and Beethoven (420. 182-2), played by Alfred Brendel and a distinguished team (oboe Holliger, horn Baumann). Strong and searching performances: a stern standard is set and never relaxed. The second instalment of Mitsuko Uchida's survey of Mozart's piano concerti with Jeffrey Tate and the ECO (420 187-2) contains the E-flat, K. 482, and the A major, K. 488, is even better than their first— just as transparent and bright, with marvellous character and imagination. The incisive bite that Tate ensures for the orchestral parts is unusual in these works, and bracing; Uchida is delectable.

The other Mitsuko who has proved that Japanese artists needn't be mere mimics in Western music is the mezzo Mitsuko Shirai, a *Lieder* singer among the best, with the advantage of a fine pianist-husband in Hartmut Höll. On Capriccio (10 098) they deliver a generous programme of 21 Mozart songs with irresistible grace and sympathy. Nothing is inflated or *over-dramatised* for the sake of variety (most of Mozart's songs are modest pieces) but Shirai captures different moods and manners with uncanny subtlety: wonderful late-evening *listening*.

The young Chamber Orchestra of Europe figures creditably on several ASV releases. In Mozart, they respond to the venerable Alexander Schneider's conducting with old-fashioned simplicity and sweetness in the 38th and 39th Symphonies (COE 806) and their winds (on COE 804) are warmly mellifluous in the great B-flat Serenade, K. 361 (though I doubt that Mozart imagined an Adagio so slow). With Paavo Berglund as conductor they supply alert accompaniment in the oboe concerti of Mozart and Richard Strauss (COE 808) for Douglas Boyd, who points both works with original wit and sensitivity.

ASV also presents the Lindsay Quartet in Schubert — "Death and the Maiden," and the posthumous *Quartettsatz* (DCA 560)—and in Haydn's three op. 54 quartets (DCA 582). Vital intelligence informs their Schubert performances, and the "Death and the Maiden" quartet is continuously exciting. The Lindsay's Haydn, arriving in nice time for their Haydn marathon which begins a week today at the Wigmore, has real revelatory flashes. Without romanticising the music (their lean, muscular sound is good insurance against that), they imbue it with passion: fiercely convincing, and liable to make other readings sound absurdly polite and thin.

Jeffrey Tate reappears on EMI with the Staatskapelle Dresden in an objective, beautifully considered performance of Beethoven's Seventh Symphony (CDC 7 47815 2). It opens majestically, and ends with a surging but coolly controlled Finale. The Scherzo has terrific urgency without haste, and Tate gives a fascinating account of the Allegretto variation-movement, steadily lyrical and fluent instead of weightily Significant in the revered Teutonic manner. The recorded sound is notably full and deep, and the Symphony is complemented by the amiable "Consecration of the House" Overture.

Also on EMI is Olaf Baer in Schubert's *Die schö Mullerin* cycle with Geoffrey Parsons at the piano (CDC 7 47947 2). The precociously mature young baritone is altogether as appealing, thoughtful and cultivated as expected; he has unexpected competition nonetheless in the tenor Josef Protschka's performance with Helmut Deutsch on Capriccio (10 082). Protschka allows himself lustier dramatic expression than Baer, and the cycle does gain from the original higher pitch—particularly for the piano: the mill-wheel music rumbles heavily with Parsons, though he is a more seasoned accompanist than Deutsch.

The notion of a "winner" here would be silly; we ought rather to be delighted that there are two new-generation singers who can deliver the cycle with such freshness and style. Small reservations about one account are generally balanced on the other side. I have no honest preference between them, and am greedily pleased to have both.

Another rewarding comparison arises with the EMI version of Chausson's *Concert* for piano, violin and quartet (7475482), though it's not Viennese. A majestic performance appeared not long ago on CBS, with Bolet, Perlman and the Juilliard; the new one by Jean-Philippe Collard, Augustin Dumay and the Muir Quartet is much more specifically French in style.

It lacks the imposing breadth of the earlier account, but it also turns Chausson's occasional lapses into routine rhetoric into believable gestures, and it searches more intimately into expressive detail. The Muir players come into their own with a fine, committed exposition of the Quartet Chausson had almost finished when he took his fatal bicycle ride. It is a remarkable and moving work which this disc should make much better known.

David Murray

Radio

The dodo revived

RADIO 4 gave us an interesting programme on Tuesday about the dodo, first recorded when one bit a Dutch sailor in 1598, last when the Mauritius settlers killed and ate the last one remaining in 1681. There were also dodos on Réunion, not the original *Dodo cucullatus* but the white *Dodo singularis*, of course, which may have survived until 1693. This was the first programme in a series on extinct birds by Jean-Pierre de Rohan, which will be indispensable to connoisseurs of extinct birds, but was, I suspect, slipped in to draw attention to the repeats now filling the channels (*The Dodo Legacy* being one).

Six of the week's 10 plays on Radios 3 and 4 were repeats, including all three Radio 3 plays. As I said last week, no harm in repeating good stuff, and three of the plays have won prizes either from Giles Cooper or *Sony*.

The Angels They Grow Lonely, by Gerry Jones, dates from 1983, and I seem not to have written about it. It is a moving short piece about a man who suffers a mental breakdown. First he thinks he is able to fly; then he finds that the doctors are in conspiracy against him; when he loses his job, his illusions take another, sadder form and lead to a sad ending. Gerry Jones writes convincingly about madness, and the play was excellently done under Martin Jenkins's direction, with Nigel Anthony as the invalid.

Three Hours after Marriage was broadcast last year, but I missed it and am delighted to have caught it now. It is a farcical comedy by Gay, Pope and Arbuthnot that plays happy tricks with the characteristic 18th-century ploy suggested in the title. Old Dr Fossile (Maurice Denham) anxious to beget a son, marries young Mrs Townley (Jenny Funnell). And at once two young actors hovering round her sister Mrs Clinkett, an intellectual playwright who can command the company of people like the great critic Sir Tremendous, have a bet on which will make her first.

Each hour after marriage brings its little plot, each concluded to momentary satisfaction. At the end, Dr Fossile is happy to adopt Mrs Clinkett's bastard baby and so achieve his ideal situation, to have a son without the trouble of a wife. The writing is full of satiric shafts at actors, critics, doctors, lawyers and so on, and the playing under Glyn Dearman's direction is as good as you would expect from a company that includes Nickolas Grace, Mike Gwilym, Charles Gray, John Moffatt, Bernard Hepton and Robert Eddison.

Anne Nightingale's two-part programme about the Beatles' *Sergeant Pepper* album (Radio 4, Sunday and Monday, repeated from Radio 1) was less nostalgic than it promised, for half those numbers are still as current as the Hallelujah Chorus. (On my set the Monday programme was inexplicably replaced by the Rhapsody in Blue.) It was good to hear it all again, but I wanted to hear more. George Martin, EMI's recording engineer, was there, and he told us about the Beatles' intolerable way of monopolising the studio, for over 700 hours of 129 days, at their exclusive convenience. He might have told us more about the music. How much of the orchestration was his own, how much the Beatles'? What was the additional instrumentation? Who played the E flat trumpet in "Penny Lane" and the strings in "She's Leaving Home"?

The Shadow Knows (Radio 4, yesterday) was a documentary about Orson Welles as radio producer and player. We heard bits of near-Shakespeare and near-Donne, of the burning of the Hindenburgh airship, of *A Christmas Carol*, of the fictional invasion of New York by H. G. Wells's Martians, of Sherlock Holmes's final encounter with Professor Moriarty (John Gielgud as Holmes). We heard comments from sundry experts, some more interesting than others. I would rather have heard longer extracts from Orson Welles's work on radio, at which he was evidently a master.

B. A. Young

WEEKEND FT

· SPORT ·

Medicine/ Michael Thompson-Noel

Very late in the day, Britain finally has its own Olympic Medical Centre

Getting there, slowly

WHILE THE heroes and heroines of British athletics were giving their all at the world championships in Rome this week, an event of great significance was occurring at unglamorous Harrow, in Middlesex—*to wit, the opening* by the Princess Royal of the British Olympic Medical Centre at Northwick Park Hospital and Clinical Research Centre.

Devoted solely to the needs of sportsmen and women, the centre *is the first of its kind* in Britain. Among other things it will provide medical screening, injury treatment facilities, a referral service, a physiological fitness testing laboratory that offers specific advice on training, and an advisory service covering matters like diet, travel and research into biomechanical aspects of training and competition.

What is more, it boasts some top personnel. The honorary *medical director is Dr Mark* Harries—a consultant in respiratory medicine at Northwick, *member of the* British Olympic Medical Sub-Committee since 1978 and medical adviser to the British gymnastics men's squad. He's a surfer, a swimmer, a squash player and a jogger.

In turn, the chief physiologist *is* Dr *Craig Sharp who* has worked with a variety of Olympic and national squads over the past 15 years and is an experienced coach, team manager, trainer and selector.

He also ran cross country *for* Scotland and played squash for Kenya and the West of Scotland.

Which is all very jolly, if just a shade late — years late, in truth — in that many other countries (some grand, like the US and *Russia;* others young and thrusting, like Australia and Canada) already have well-established national medical centres of this nature with which to underpin their assault on the record books and medal lists.

The sheer tardiness with which Britain has inaugurated its own Olympic medical centre was much on people's minds at the official opening on Wednesday.

The Princess Royal (herself a former Olympic competitor of note) looked suitably prim-faced when saying that the facilities had been "a little while in coming."

Sir Christopher Booth, vice-patron of the British Olympic Medical Trust, admitted that "the concept of sports medicine is catching on rather late in this country," before adding: "It's a small step we are taking today, but as Mao tse-tung said —that's how you get there."

And Charles Palmer, chairman of the British Olympic Association, who is also a key figure in international sports politics, *said he* hoped that the new centre would help "right the failings of the past" so that *Britain could at last help its* sportspeople "compete on a more equal footing with our rivals—but nonetheless friends —in the Olympic family abroad."

Over the last 10 years, he *said,* the British *Olympic* Association had been changing from what some journalists had referred to as an "elite travel agency" into an organisation that sought to support its member bodies properly throughout the four-year period of an Olympiad. What had become clear was that the medical back-up available to top British sportspeople compared badly with that available to many of their Olympic rivals.

Ever the diplomat, Palmer conjectured — suavely — that perhaps the reason for this was the excellence of Britain's *National Health Service.* "*It* is possible," he said, "that countries without a free national health service more quickly become aware of their sportspeople's needs," adding that he could spend much time describing the marvellous facilities that existed in other countries, but that that would *only reflect badly on* Britain, which was not his aim.

The starting-up cost of the centre was about £250,000 and it will cost more than £100,000 annually to run. To date, contributors have included the Sports Council (*£65,000* initially), Glaxo (£40,000 over two years), the International Olympic Committee ($20,000), the US Olympic Committee's Friendship Fund ($50,000, from the profit made on the LA *Olympics) and Adidas (£30,000* for specific research projects), but they need whatever help they can get.

Treatment at the *centre* is free, though a competitor must be referred directly by a *general practitioner, or by a* given sport's medical officer or authorised representative. Nationally there is an official network of physicians, surgeons and physiotherapists should competitors require treatment closer to home.

The sports injury service alone gives some indication of the *sophistication of facilities* available at Northwick. An injuries clinic is held every Monday morning. There is an extensive *diagnostic* radiology department, plus expertise in fibre optic arthroscopy — essential in the diagnosis and management of knee and shoulder injuries. Furthermore, there is a large physiotherapy department consisting of a gymnasium, two hydrotherapy pools and a very experienced staff.

Nor are they *slowcoaches* when it comes to clinical measurement. To quote directly: "The programme of cardiac investigations includes exercise electrocardiography, 24-hour ambulatory ECG monitoring, 2-D *echo-cardiography* and gated isotope scintigraphy. This uniquely allows studies of both dynamic and static cardiac function."

As Mao said, that's *how* you get there.

Golf Course Design/Ben Wright

A shortage of modern masters

Only eight post-war layouts rate among Golf Magazine's 100 greatest courses of the world. Any offers?

BY SOME strange co-incidence, the two leading monthly golf magazines published in the US have chosen to feature in the same issue (September) major articles on the endlessly fascinating *subject of golf architecture* or course design.

Golf Magazine produces its *tried and* tested annual listing of the "100 greatest courses in the world," although how a panel of 64 expert and distinguished voters ever achieved a consensus is quite beyond me. Golf's deadly and more success*ful rival, Golf Digest,* however, has come up with a competition open to all armchair architects among its readers that has so riveted my attention that I have already made a sizeable investment in tracing paper, *soft pencils, erasers,* a box of water colours and sundry brushes.

In 1914 Country Life magazine ran a similar competition for its readers, asking them to design an "ideal two-shot hole." Believe it or not, the winning *entry was submitted by a young* Scottish surgeon named Alister MacKenzie.

Not surprisingly, Dr MacKenzie left the medical profession some time later, and went on to design several layouts in *Golf's* current *100 greatest* courses, most notably Cypress Point, ranked 4th, Augusta National (5th), and Royal Melbourne (6th). In addition, two of MacKenzie's lesser known but nonetheless brilliant gems —New South Wales, at the mouth of Botany Bay in Sydney (55th), and Crystal Downs in upper *Michigan (59th)*—are among 12 newcomers to the top 100. MacKenzie has several more in this notable collection.

In the Gold Digest competition, the reader is presented with a tract of land pictured *on a topographical map.* The land lies in a valley beneath the 17th green at "Designer Hills Country Club" and a sizeable swamp some 500 yards away.

The supposition is that the course *has always been* a good one but that it possesses a weak finishing hole. The board of governors is determined to have the club considered as a site for the US Open, and has recently purchased the strip of land in question.

In putting it out to tender, these mythical gentlemen state that "they expect the hole to be spectacular, and are also planning to build a new enlarged *clubhouse on a new location* overlooking the 18th hole."

Also on the map is a creek that runs through the property in a rough S-shape as it meanders into the bog. There is a steep hillside on each side of the valley, on one of which is planned the clubhouse.

The problems involved are several *and complicated.* For instance, the reader may design anything from a three-shot par five to a destined-to-be-controversial par three.

He or *she* can drain the swamp to create a lake, or eliminate all or any part of the creek by *piping it beneath the fairway.* No expense is to be spared. The landscape gardener has designated 11 particularly splendid trees as "specimen," and competitors are expected to retain as many of them as possible.

The club members obviously want *to be able to sit in their* new clubhouse and watch play to the 18th green as golfers finsh their rounds, so the new 18th green must be easily visible from the clubhouse, or else the proposed building site *has to be moved.* There must be at least three tees all leading to the same routing to the green —and there you have it.

Having designed one existing golf course, in the early 1970s, St. Cyprien, in the south-west corner of France, on a former rubbish tip alongside a salt lake hard by the Mediterranean—*hardly an ideal site—the Walter* Mitty in me is crying out to follow in Dr MacKenzie's footsteps. The winner of the Golf Digest competition will have his or her design published in the magazine and, more interestingly, will attend the next annual meeting of the American Society of Golf Course Architects in Bermuda, play golf with them, and generally get to be one of the gang.

In the sample entry illustrated, the designer has created a pond *from the swamp,* almost surrounded his 18th green by water, and buttressed it by the *ubiquitous railway sleepers* or telephone poles. Only three of the specimen trees survive, the creek is piped away out of play, and the result is a virtulally straight par four played at 475, 435, or 405 yards with *not a single sand bunk.* This design was probably intentionally uninspired.

The panel of four judges for the competition are—most impressively—the four officers of the ASGCA—president Roger Rulewich, vice-president Peter Dye, secretary Robert Trent-Jones jnr, and treasurer Dan Maples—all household names throughout the world in their lucrative and enviable profession.

Jack Nicklaus: his Muirfield Village course in Ohio seems very over-rated

To return to the subject of *Golf's 100 greatest courses,* I am very impressed by the obvious reversion to traditional standards of design heralded by the elevation of MacKenzie's New South Wales, which opened in 1928, and Crystal Downs (1932). It is similarly encouraging to see Donald Ross's Essex Golf and Country Club in Windsor, Ontario (1929), entering the list in 79th place, and the Arthur Tillinghast-designed Five Farms East course in Baltimore, Maryland (1926), site of the historic Walker Cup tie in 1965 when *Clive Clark holed a 20-footer* downhill on the last green in the last singles match to save it, which comes in at 85th.

Similarly, the long unfairly overshadowed Sunningdale New course, designed by the great Harry Colt and opened in 1922, at last squeezes in in 95th place —Sunningdale Old appears at 39—so that the British club *claims a singular distinction* in being the only one with two courses in the panel's top 10.

The remarkable Ross gets yet another deserved accolade with the elevation of Playingfield, New Jersey, to 90th place. This was the venue of this year's US Women's Open won by England's Laura Davies, and drew strong support from the entire field. Ross, who moved from his native Dornoch to Pinehurst, North Carolina, early in the century, managed to design or rebuild over 500 *courses in America. It is* a measure of their quality that Ross has nine courses in the current top 100.

Prehaps the most significant fact that emerges from this detailed *study* is *that* only one course in the top 25, Muirfield Village in Dublin, Ohio, designed by Jack Nicklaus and *placed 20th,* has been built since the Second World War. In my opinion this course — the *site for this month's Ryder Cup* match — is very over-rated. In the second 25 there are but seven post-war layouts, four to the credit of Pete Dye, one to Nicklaus, one to the emerging Tommy Fazio, and one to the late *Javier Arana of Spain.*

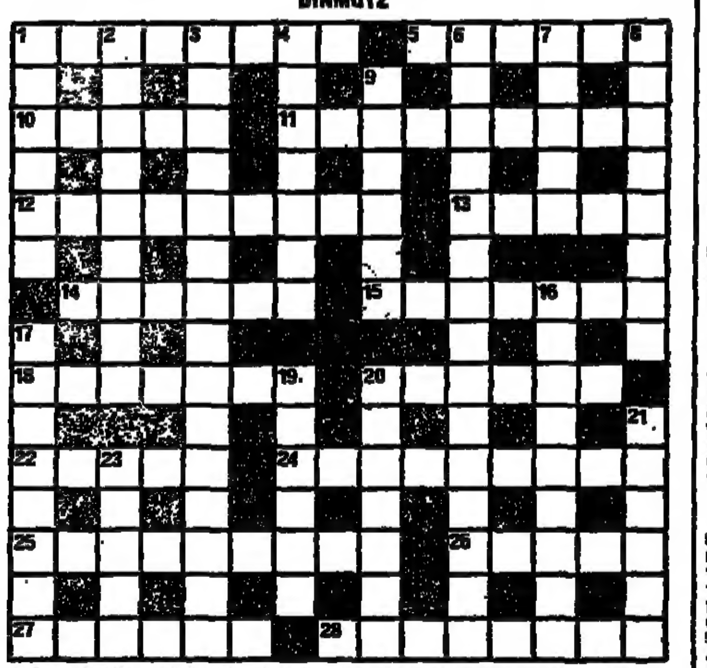
Dye's *teeth-of-the-dog* course at Casa de Campo in the Dominican Republic is placed 29th, his glorious Harbour Town on Hilton Head Island, South *Carolina, is 30th, the Gold Club* in New Albany, Ohio, is 38th and Dye's *once-notorious* Tournament Players' Club at Sawgrass, Florida, is 41st.

My favourite Nicklaus course, *Shoal Creek in Alabama,* is placed 35th, although I think it is far better than his Muirfield. Fazio's Wild Dunes on the Isle of Palms in South Carolina is 49th, and Arana's El Saler, a brilliant public course in Valen*cia, is ranked 50th.*

I am proud to have been on 86 of the top 100 courses, *though ashamed that I have not even heard of some of them.* But the fact that only eight post-war courses are in the top 50 is a stunning indictment of modern design. I intend to change all that!

FT CROSSWORD PUZZLE No. 6422

DINMUTZ



Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

ACROSS

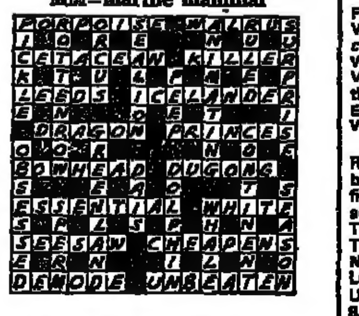
1 Grey coat changed in class (8)
5 Girl for morning lamb, we hear (6)
10 Riding-school mishap (5)
11 In sea *off* Cowes, *five* caught—not keeping heads above water (9)
12 Newly-wed fit for Nick? (9)
13 Stern, for example, applies it to bow (5)
14 Firm pastries but imitations (6)
15 Convert from sin in respect of title (7)
18 Go a very different way like *this traveller* (7)
20 In Scotland they greet old announcers (6)
22 Name jug that is fresher (5)
24 Some allowance is made for one in Chelsea (9)
25 Meddling but is overthrown (9)
26 Yarn of two cities in digest form (5)
27 Esurient press-chief in dull environment (6)
28 Violate fashionable ornamental border (8)

DOWN

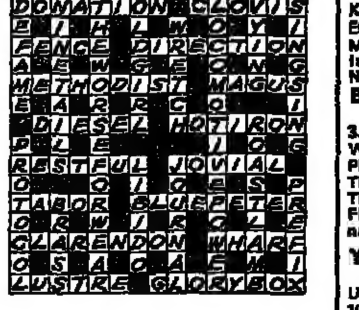
1 Golly, they are contemptible people (6)
2 "Irritable over funds"—reported statement in court (9)
3 Amassing earth in catchment area (9-6)
4 Horsemen surround a group of marauders (7)
6 Wrongdoer Potter a criminal, it turns out (15)
7 Guides announced for city (5)
8 University in too many changes for right to self-government (8)
9 Local groom? (6)
16 From Ireland, an unusual synthetic hormone (9)
17 Plainsong in late service? (8)
19 Junior's nappie upside down? Refund made! (6)
20 Business worry (7)
21 Bell otherwise in parsonage? (6)
23 *Willow branch to shrivel,* almost (5)

Solution to Puzzle No. 6,421

MM=marine mammal



SOLUTION AND WINNERS OF PUZZLE No. 6,417



Miss E. M. Lock, Paignton, Devon; Mr T. McLaughlin, Blairgowrie, Perthshire; Mr D. H. Browne, Winchester, Hants; Mr M. Webster, Penn, Wolverhampton; Mr P. A. L. Freeman, London NW4.

TELEVISION AND RADIO

SATURDAY

† Indicates programmes in black and white

BBC1

8.30 am The Family Ness. 8.35 Dogtanian and the Three Muskehounds. 9.00 It's Wicked! 10.15 Grandstand. *10.15 Cricket; 12.45 pm Athletics;* 1.00 News Summary; 1.05 Football Focus; 1.25 Cricket; 2.15 Haydock Racing; 2.20 Cricket; 2.45 Haydock Racing; 2.50 Cricket; *3.00 Eventing/Athletics;* 3.45 Haydock Racing; 3.50-6.50 Athletics. 5.20 News. 5.30 Regional programmes. 6.50 Bob's Full House.

7.25 Bergerac. 8.55 News and Sport. 9.10 Film: "Risky Business." 10.45 Monty Python's Flying Circus. 11.15 World Athletics Championships. 12.05 am Film: "Up the Front" starring Frankie Howerd.

BBC2

2.15 pm Network East. 2.55 Cricket: The NatWest Bank Trophy Final. 7.30 Newsview. 8.10 A Tribute to the Amadeus String Quartet, an interview with Bernard Levin. 9.25 Cricket highlights. †10.15-12.15 am Film: "The *Hunchback of Notre Dame,*" with Charles Laughton.

WORLD SERVICE

6.55 am TV-am Breakfast programme. 9.25 No 73. 11.00 The Roxy. 11.30 Punky Brewster. 12.00 The Fall Guy. 1.00 pm News. 1.05 Saint and Greavsie. 1.30 Wrestling. 2.15 "Gordon, The Black Pirate." 3.45 The World Athletics Championships. 4.45 Results Service. 5.00 News. 5.05 Blockbusters. 5.35 The A-Team. 6.30 Blind Date. 7.15 Beadle's *About.* 7.45 3-2-1. *8.45 News and* Sport. 9.05 Murder, Mystery Suspense: "The Deadly Dream."

10.30 Clive James. 11.30 The World Athletics Championships. 12.00 Hunter. 1.00 am Night Network.

CHANNEL 4

9.30 am Listening Eye. 10.00 The Jobfinder 87. Home Service. 10.30 Scotland's Story. 11.00 Bones. 11.30 Dancin' Days. †12.25 *pm Sea War. 12.55 Murun Buchstansangur.* †1.00 "One Way Pendulum." †2.35 Paris 1900. 3.30 Channel 4 Racing from Kempton Park. 5.05 Brookside Omnibus. 6.00 Right to Reply.

6.30 pm Ourselves and Other Animals. 7.00 News Summary followed by Beyond Belief. 7.30 No Easy Walk. 8.30 Japan. 9.30 Inochi (English subtitles). 10.00 St Elsewhere. 10.55 4 Minutes. 11.00 Australian Rules Football. 12.00 "The Day the Bubble Burst."

S4C WALES

10.00 am What the Papers Say. 10.15 Valued Opinion. 10.30 A Full Life. 11.00 The Mississippi. 12.00 Sea War. 12.30 *pm Scotland's Story. †1.00 Film "The* Green Years." 3.30 Racing. 5.00 Fat Man Goes Norse. 6.00 Right to Reply. 6.30 All Muck and Magic?

7.00 pm The Dragon has Two Tongues. 7.30 Newyddion. 7.50 Treialon cwn defaid. 8.15 Streeon yr henllys fawr. 9.10 Y maes chwarae. 10.00 Rasio. 10.30 The Best of Paul Hogan. *11.00 Australian Rules Football.* 12.00 Film "The Day the Bubble Burst."

IBA regions as London except at the following times:

ANGLIA

11:30 am The Fall Guy. 5.05 pm Name That Tune. 12.00 Gloria Hunniford Talks to Joan Collins. 12.30 am Worlds *Beyond.*

BORDER

11.30 am UFO. 12.30 pm Survival. 12.00 Gloria Hunniford Talks to Joan Collins.

CENTRAL

11.00 am Film "Mysterious Island." 12.50 pm Porky Pig. 12.00 Gloria Hunniford Meets Joan Collins. 12.30 am Prisoner Cell Block H. 1.25 "Women In Love" starring Alan Bates and Oliver Reed. 3.50 Central News. Central

Alison Leggatt and Peggy Mount in One Way Pendulum: C4, 1 pm

CHANNEL

11.30 am Knight Rider. 12.30 pm Survival of the Fittest. 12.00 T. J. Hooker. 1.00 am Night Network. 4.00 News.

GRAMPIAN

11.30 am ALF. 12.30 pm Survival. 5.05 pm Name That Tune. 12.00 Gloria Hunniford Meets Joan Collins. 12.30 am Reflections.

GRANADA

11.00 am America's Top 10. 11.30 Saturday Matinee: "Operation Bullshine," with Donald Sinden. 12.00 Joan Collins. 12.30 am "10 Rillington Place," starring Richard Attenborough and John Hurt. 2.25 America's Top 10.

HTV

11.30 am Knight Rider. 12.00 A.L.F. 12.30 pm Starring ... The Actors (Kirk Douglas). 11.30 Club Rugby. 12.15 am The World Athletics Championships.

SCOTTISH

11.30 am America's Top 10. 12.00 Highway To Heaven. 11.30 pm The World Athletics Championships. 12.00 Gloria Hunniford meets Joan Collins. 12.30 am Late Call.

TSW

11.27 am Gus Honeybun's Magic Birthdays. 11.30 The Saturday Morning Film: "Never Never Land." [illegible] 12.00 Gloria Hunniford talks to Joan Collins. 12.30 am Postscript.

TVS

11.05 am The Roxy. 11.30 Knight Rider. 12.00 T. J. Hooker. 1.00 am Night Network. 4.00 Company.

TYNE TEES

11.30 am The Little Prince. 12.00 [illegible] (Joan Collins). 12.30 am Epilogue.

ULSTER

11.30 am Feature Film: "You Know What Sailors Are." 12.50 pm Cartoons. 12.00 Gloria Hunniford Talks to Joan Collins. 12.35 am News at Bedtime.

YORKSHIRE

11.30 am "The Adventures of Pinocchio." 12.00 Gloria Hunniford Talks to Joan Collins. 12.30 am "Deadfall," starring Michael Caine. 2.40 Jobfinder.

Stereo on VHF

BBC RADIO 2

[illegible] 1.00 Patrick Lunt presents "Nightride." 3.00-4.00 A Little Night Music.

BBC RADIO 3

7.05 am Morning Concert. (8.00 World Service News). 9.00 News. 9.05 Record Review. 10.15 Stereo Release. 11.15 Edinburgh International Festival. [illegible]

BBC RADIO 4

[illegible]

SUNDAY

† Indicates programmes in black and white

BBC1

8.55 am Play School. 9.15 Articles of Faith. 9.30 This is The Day. 10.00 What On Earth . . . ?—Michael Jordan *chairs* Wildlife Quiz. 10.25 Only Time Would Tell. 10.55 The Wooldridge View. 11.45 Look Stranger. "Drawn to the Romany Life." 12.10 pm Sign Extra. 12.35 Farming. 1.00-2.00 This Week Next Week.

2.00 Eastenders. †3.00 Film: "I'm All Right Jack." Satirical tale of corrupt businessmen opens a new season of films celebrating the work of comic actor Peter Sellers. 4.40 Cartoon. 5.05 The Making of the Grand Knockout Tournament. 5.50 Vanity Fair. 6.25 *News. 6.40 Songs of Praise from the* London Borough of Newham. 7.15 Three Up, Two Down. 7.45 Howards' Way. 8.35-9.05 Bread.

9.05 The Happy Valley. Season of "Sunday Premiere" opens with the story of a 16-year-old girl caught up in a degenerate expatriate world, in Kenya *in* the 1940s, starring Denholm Elliott. 10.35 News. 10.50 Heart of the Matter. "Once a Catholic . . ." 11.25 Italian Grand Prix. 11.55 The Sky at Night. 12.15 am Network East.

BBC2

1.30 pm Grandstand: Motor Racing: 3.00 Athletics. 6.50 The Change the World Party. 7.50-8.35 The Great Philosopers (Plato). 8.35 Do You Mean There are Still Real Cowboys? 9.50 The Paul Daniels Magic Show. 10.35 Film: "Mr Wrong." 12.00 International *Athletics.*

YORKSHIRE

6.55 am Breakfast TV. 9.25 Wake Up London. 9.35 Sunday at No 73. 10.00 No 73. 10.30 The Adventures of Black Beauty. †11.00 Morning Worship. 12.00 Educating Britain. 1.00 pm News followed by Police 5. 1.15 Link. 1.30 Care Bears. 2.00 The *Human* Factor. 2.30 "The Disappearance of Flight 412." 4.00 Knights of God. 4.30 The World Athletics Championships. 5.15 *Sunday Sunday. 6.00 The World Athletics* Championships including 6.40 News from ITN. 7.15 Child's Play. 7.45 Sins. 9.45 *News.* 10.00 A Wreath of Roses. 11.30 News followed by The World Athletics Championships. 12.30 am Mary. 1.00 Night Network.

CHANNEL 4

9.25 am Rat Gaye. 10.00 Equinox: Hole in the Sky. 11.00 The Waltons. 12.00 Network 7. 2.00 pm Chips' Comic. 2.30 James Galway and Kyung Wha Chung Play Bach. 3.05 The All Ireland Hurling Final. 5.05 World of *Animation. 5.15 News Summary* followed by The Business Exchange. 6.00 Little Girl Goes to School. 6.20 Celebrity Candid Camera from Japan (with English subtitles). 7.15 Battle for the Planet. 8.15 We're Not Mad . . . We're Angry. 9.15 Mel I'm Afraid of Virginia Woolf—The first in a season of six TV plays by British playwright Alan Bennett. †10.30 "*Criss Cross,*" starring Burt Lancaster.

S4C WALES

10.00 am No Easy Walk. 11.00 The Waltons. 12.00 Network 7. 2.00 pm Equinox: Hole in the Sky. 3.05 Hurling. 5.15 Business Exchange. 8.00 Feature Film: "The Bank Dick." 7.20 Newyddion. 7.30 Caryl. 8.00 Darllthoedd Y Pentan. 8.30 Cadw'r Oed. 9.00 Yng Nghysgod Y Cryman. 9.50 The Engage*ment. †10.40 Feature Film: "Ivy."*

IBA regions as London except at the following times:

ANGLIA

9.25 am No. 73 followed by Cartoon Time. 9.35 He-Man and the Masters of the Universe. 1.00 pm Link. 1.15 Ice 1.30 Farming Diary.

BORDER

9.25 am Cartoon. 9.35 He-Man and the Masters of the Universe. 1.00 pm Farming Outlook. 1.35 Cartoon Time. 1.45 Link.

CENTRAL

9.25 am Cartoon. 9.35 He-Man and the Masters of the Universe. 1.00 pm Central Post. 1.30 Here And Now. 12.30 am Prisoner Cell Block H. 1.25 Donahue. *2.25 The Movie Makers:* Masters of Horror. 3.05 Central News [illegible]

Holly Aird and Denholm Elliott in The Happy Valley: BBC 1, 9.05 pm

CHANNEL

[illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible]

SCOTTISH

[illegible]

TSW

[illegible]

TVS

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

YORKSHIRE

[illegible]

(Stereo on VHF)

BBC RADIO 2

[illegible]

BBC RADIO 3

[illegible]

BBC RADIO 4

[illegible]